

Bill No. J-85-10-49 (as amended)

CURRENTLY BEING REVIEWED BY CITY  
LEGAL COUNSEL.

ORDINANCE NO. J-207-85

An Ordinance concerning the issuance of junior revenue refunding bonds of the City of Fort Wayne, Indiana in the estimated principal amount of \$4,440,000 with respect to current interest bonds and an estimated original principal amount of \$3,630,521 with respect bond income growth securities and \$9,275,242 with respect to capital appreciation bonds, together aggregating an original principal amount now estimated to be \$17,345,763, to provide for the refunding of revenue bonds which were issued to provide for the cost of the construction of additions and improvements to the sewage works of the City of Fort Wayne, the collection, segregation and distribution of the revenues of said works, the safeguarding of the interests of the holders of said junior revenue refunding bonds, and other matters connected therewith and repealing ordinances inconsistent therewith

WHEREAS, the City of Fort Wayne (the "City") has heretofore established, constructed and financed sewage works pursuant to Chapter 61 of the Acts of the Indiana General Assembly for the year 1932 (Special Session), and now owns and operates said sewage works pursuant to I.C. 36-9-23 (the "Sewer Act"); and

WHEREAS, the Common Council finds that there are now outstanding bonds issued on account of the construction and improvement of the City's sewage works and payable out of the net revenues therefrom designated "Sewage Works Improvement Revenue Bonds" (the "1959 Bonds"), dated November 1, 1959, now outstanding in the amount of Six Hundred Forty Thousand (\$640,000), bearing interest at the rates of three and seven-eighths percent (3-7/8%) or three and one-quarter percent (3-1/4%) per annum, depending on the maturities, maturing on August 1 in the years 1986 to 1990, inclusive, which bonds constitute a first charge upon the net revenues of the sewage works; and

WHEREAS, the Common Council finds that there are also outstanding bonds issued on account of the construction and improvement of the City's sewage works and payable out of the net revenues therefrom designated "Sewage Works Improvement Revenue Bonds of 1961" (the "1961 Bonds"), dated August 1, 1961, now outstanding in the amount of Nine Hundred Thirty Thousand Dollars (\$930,000), bearing interest at the rate of three and three-quarters percent (3-3/4%) per annum, maturing on August 1 in the years 1986 to 1993, inclusive, which bonds are on a parity with the 1959 Bonds and also constitute a first charge upon the net revenues of the sewage works; and

WHEREAS, the Common Council finds that there are also outstanding bonds issued on account of the construction and improvement of the City's sewage works and payable out of the net revenues therefrom designated "Sewage Works Improvement Revenue Bonds of 1970" (the "1970 Bonds"), dated April 1, 1970, now outstanding in the amount of One Million Eight Hundred Thirty Thousand Dollars (\$1,830,000), bearing interest at the rates of six and seven-tenths percent (6.7%), six and nine-tenths percent (6.9%) or seven percent (7.0%) per annum, depending on the maturities, maturing on August 1 in the years 1986 to 1995, inclusive, which bonds are on a parity with the 1959 Bonds and the 1961 Bonds and also constitute a first charge upon the net revenues of the sewage works; and

WHEREAS, the Common Council finds that there are also outstanding bonds issued on account of the construction and improvement of the City's sewage works and payable out of the net revenues therefrom designated "Sewage Works Improvement Revenue Bonds of 1975" (the "1975 Bonds"), dated January 1, 1975, now outstanding in the amount of Five Million Two Hundred Eighty-Five Thousand Dollars (\$5,285,000), bearing interest at the rates of six and five-tenths percent (6.5%), six and seven-tenths percent (6.7%) or five percent (5%) per annum, depending on the maturities, maturing on August 1 in the years 1986 to 1997, inclusive, which bonds are on a parity with the 1959 Bonds, the 1961 Bonds and the 1970 Bonds and also constitute a first charge upon the net revenues of the sewage works; and



WHEREAS, the Common Council finds that there are also outstanding bonds issued on account of the construction and improvement of the City's sewage works and payable out of the net revenues therefrom designated "Sewage Works Revenue Bonds of 1982" (the "1982A Bonds"), dated July 1, 1982, now outstanding in the amount of Three Million Four Hundred Thousand Dollars (\$3,400,000), bearing interest at the rates of twelve and three hundred seventy-five one-thousandths percent (12.375%), twelve and four-tenths percent (12.4%), twelve and six-tenths percent (12.6%) or twelve and seventy-five one-hundredths percent (12.75%) per annum, depending on the maturities, maturing on August 1 in the years 1996 to 2000, inclusive, which bonds are on a parity with the 1959 Bonds, the 1961 Bonds, the 1970 Bonds and the 1975 Bonds and also constitute a first charge upon the net revenues of the sewage works; and

WHEREAS, the Common Council finds that there are also outstanding bonds issued on account of the construction and improvement of the City's sewage works and payable out of the net revenues therefrom designated "Sewer Connection Revenue Bonds of 1982" (the "1982B Bonds"), dated July 1, 1982, now outstanding in the amount of Three Million Nine Hundred Forty Thousand Dollars (\$3,940,000), bearing interest at the rates of twelve percent (12%), twelve and twenty-five one-hundredths percent (12.25%), twelve and twenty one-hundredths percent (12.20%) and twelve and three hundred seventy-five one-thousandths percent (12.375%) per annum, depending on the maturities, maturing on August 1 in the years 1985 to 1998, inclusive, which bonds are on a parity with the 1959 Bonds, the 1961 Bonds, the 1970 Bonds, the 1975 Bonds and the 1982A Bonds (collectively, the "Outstanding Bonds") and also constitute a first charge upon the net revenues of the sewage works; and

WHEREAS, the ordinances authorizing the issuance of the Outstanding Bonds require that, unless certain conditions are met, any bonds subsequently issued be junior and subordinate to the Outstanding Bonds in respect to the application of the revenues of said sewage works; and

WHEREAS, the Common Council now finds that the refunding of the Outstanding Bonds is necessary and advisable (i) to restructure the City's debt so that with respect to the junior revenue refunding bonds the City will have no principal payment obligations for a three-year period and (ii) to effect savings; and

WHEREAS, the Common Council finds that the financial advisor to the City has advised that the estimated amount necessary for the refunding of the Outstanding Bonds to be financed by the refunding bonds, including estimated incidental expenses, is \$17,345,763; and

WHEREAS, the Common Council now finds that all conditions precedent to the adoption of an ordinance authorizing the issuance of said junior revenue refunding bonds have been complied with in accordance with the provisions of the Sewer Act and I.C. 5-1-5 (the "Refunding Act"); now therefore,

BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF FORT WAYNE, INDIANA THAT:

Section 1. In addition to the words and terms elsewhere defined in the proceedings, the following words and terms as used in this ordinance (the "Bond Ordinance") and in the Refunding Bonds authorized and defined in Section 3 hereof shall have the following meanings unless otherwise provided therein and unless the context or use indicates another or different meaning or intent:

"Authorized Denominations" means, with respect to the principal amount of the Current Interest Bonds, the denomination of \$5,000 or any integral multiple thereof and, with respect to the Conversion Amount of the Bond Income Growth Securities and the Maturity Amount of the Capital Appreciation Bonds, the denomination of \$5,000 or any integral multiple thereof.

"Bond Income Growth Securities" means those Refunding Bonds having a stated maturity or maturities as set forth in Section 3 hereof for the Bond Income Growth Securities and termed Bond Income Growth Securities in Section 3 hereof.

"Capital Appreciation Bonds" means those Refunding Bonds having a stated maturity or maturities as set forth in Section 3 hereof for the Capital Appreciation Bonds and termed Capital Appreciation Bonds in Section 3 hereof.



"Compound Accreted Amount" means, with respect to each date set forth in Section 3 hereof under the headings "Compound Accreted Amounts for Bond Income Growth Securities" and "Compound Accreted Amounts for Capital Appreciation Bonds," for each Bond Income Growth Security and each Capital Appreciation Bond, respectively, the aggregate principal and interest (per \$5,000 Conversion Amount of such Bond Income Growth Security and Maturity Amount of such Capital Appreciation Bond) set forth in said Section.

The Compound Accreted Amount for any Bond Income Growth Security or Capital Appreciation Bond (per \$5,000 Conversion Amount of such Bond Income Growth Security or \$5,000 Maturity Amount of such Capital Appreciation Bond) with respect to any date other than a date stated in Section 3 hereof, and prior to the Conversion Date of such Bond Income Growth Securities or the stated maturity of such Capital Appreciation Bonds, shall be determined conclusively by the Registrar or a certified public accountant selected by the Registrar, interpolating such Compound Accreted Amount, using the straight line method, by reference to the Compound Accreted Amounts for the dates listed on such table which are immediately prior to and immediately subsequent to such date, and the number of calendar days elapsed since the date listed which is immediately prior to such date. All references to "interest" on any Refunding Bond or in this Bond Ordinance shall, with respect to the Bond Income Growth Securities or the Capital Appreciation Bonds, unless the context clearly indicates otherwise, refer to the excess of the Compound Accreted Amount over the original principal amount of such Bond Income Growth Security or Capital Appreciation Bond, as of any relevant date.

"Conversion Amount" means the aggregate principal and interest (the Compound Accreted Amount) on a Bond Income Growth Security on the Conversion Date.

"Conversion Date" means February 1, 1997.

"Current Interest Bonds" means those Refunding Bonds having stated maturities as set forth in Section 3 hereof for the Current Interest Bonds and termed Current Interest Bonds in Section 3 hereof.

"Interest Payment Dates" means, as to the Current Interest Bonds, each February 1 or August 1, commencing February 1, 1986 and, as to any Bond Income Growth Security, each February 1 or August 1, commencing on August 1, 1997, or, if any such day is not a business day, the immediately preceding business day in the years during which the Current Interest Bonds and Bond Income Growth Securities are outstanding under the provisions of this Bond Ordinance.

"Maturity Amount" means the aggregate principal and interest due and payable at the stated maturity of a Capital Appreciation Bond.

Section 2. The City shall proceed with the refunding of the Outstanding Bonds and the cost of refunding the Outstanding Bonds, including the cost of issuance, shall not exceed the sum of \$17,500,000 without further authorization from this Common Council. The terms "sewage treatment works," "works," and other like terms where used in this Bond Ordinance shall be construed to mean and include all structures and property of the City's sewer utility, including items defined at I.C. 36-9-1-8. The bonds herein authorized shall be issued pursuant to and in accordance with the provisions of the Sewer Act and the Refunding Act, and all acts supplemental thereto, relating to the issuance of junior revenue refunding bonds.

Section 3. The City shall issue its sewage works junior revenue refunding bonds in principal amount, with respect to Current Interest Bonds, now estimated to be \$4,440,000 and original principal amount, with respect to Bond Income Growth Securities now estimated to be \$3,630,521, and with respect to Capital Appreciation Bonds now estimated to be \$9,275,242, together aggregating an amount now estimated to be \$17,345,763 (the "Refunding Bonds"), for the purpose of procuring funds to apply to the refunding of the Outstanding Bonds, including the cost of issuance.

(a) Form and Numbering. The Refunding Bonds shall be issued only in fully registered form substantially as set forth herein, shall be exchangeable for fully registered Refunding Bonds of authorized denominations in the manner and on the terms provided herein, and shall be numbered as determined by the Registrar, as hereinafter defined.



(b) Denomination and Dates. The Current Interest Bonds shall be issued in Authorized Denominations and shall be dated as of November 1, 1985 if authenticated prior to the first Interest Payment Date, and otherwise shall be dated as of the Interest Payment Date next preceding the date of their authentication except that if authenticated on an Interest Payment Date they shall be dated as of such date of authentication; provided that if at the time of authentication interest thereon is in default, they shall be dated as of the date to which interest has been paid.

The Bond Income Growth Securities shall be issued in Authorized Denominations and shall be dated as of the date of issuance if authenticated prior to the Conversion Date, and otherwise shall be dated as of the Interest Payment Date next preceding the date of their authentication except that if authenticated on an Interest Payment Date they shall be dated as of such date of authentication; provided that if at the time of authentication interest thereon is in default, they shall be dated as of the date to which interest has been paid.

The Capital Appreciation Bonds shall be issued in Authorized Denominations and shall be dated the date of issuance thereof.

(c) Maturities and Interest Rates. Interest on the Current Interest Bonds shall be payable on each Interest Payment Date at the estimated rates per annum indicated below, and principal of the Current Interest Bonds shall mature on February 1 and August 1 in the years and in the estimated principal amounts indicated below:

<u>Current Interest Bonds</u>		
<u>Principal Payment Dates</u>	<u>Estimated Amounts</u>	<u>Estimated Interest Rates</u>
February 1, 1989	\$1,050,000	7.25%
August 1, 1989	\$1,090,000	7.25%
February 1, 1990	\$1,130,000	7.50%
August 1, 1990	\$1,170,000	7.50%

Interest on the Bond Income Growth Securities accruing after the Conversion Date shall be payable on each Interest Payment Date commencing on August 1, 1997 at the estimated rate of ten percent (10%) per annum, and principal of the Bond Income Growth Securities and interest thereon from the date of issuance of the Bond Income Growth Securities to the Conversion Date shall be payable at maturity (or upon redemption prior to maturity) on August 1, 2005.

The interest rate with respect to the Bond Income Growth Securities is subject to rounding to correspond to the Compound Accreted Amounts as set forth in the table of Compound Accreted Amounts provided herein. The total interest on each Bond Income Growth Security shall be an amount equal to, as of any February 1 or August 1, the amount by which the Compound Accreted Amount for such Bond Income Growth Security exceeds the original principal amount of such Bond Income Growth Security on the date of its initial issuance and delivery.

The Compound Accreted Amounts for Bond Income Growth Securities are as follows:

Compound Accreted Amounts for Bond Income Growth Securities

Due: August 1, 2005

<u>Date</u>	<u>Estimated</u> <u>Compound Accreted Amount *</u>	<u>Estimated</u> <u>Amount per \$5,000</u>
Date of Issuance	\$3,630,521	
February 1, 1986	[To be provided]	1709.25
August 1, 1986		1794.71
February 1, 1987		1884.45
August 1, 1987		1978.67
February 1, 1988		2077.60
August 1, 1988		2181.48
February 1, 1989		2290.56
August 1, 1989		2405.09
February 1, 1990		2525.34
August 1, 1990		2651.61
February 1, 1991		2784.19
August 1, 1991		2923.40
February 1, 1992		3069.57
August 1, 1992		3223.04
February 1, 1993		3384.20
August 1, 1993		3553.41
February 1, 1994		3731.08
August 1, 1994		3917.63
February 1, 1995		4113.51
August 1, 1995		4319.19
February 1, 1996		4535.15
August 1, 1996		4761.90
February 1, 1997		5000.00
August 1, 1997		5000.00
February 1, 1998		5000.00
August 1, 1998		5000.00
February 1, 1999		5000.00
August 1, 1999		5000.00
February 1, 2000		5000.00
August 1, 2000		5000.00
February 1, 2001		5000.00
August 1, 2001		5000.00
February 1, 2002		5000.00
August 1, 2002		5000.00
February 1, 2003		5000.00
August 1, 2003		5000.00
February 1, 2004		5000.00
August 1, 2004		5000.00
February 1, 2005		5000.00
August 1, 2005		5000.00

\*Takes account of mandatory sinker

The Capital Appreciation Bonds shall mature on February 1 and August 1 in the years and in the Maturity Amounts indicated below, and shall bear interest payable at maturity or upon redemption prior to maturity at the estimated approximate rate or rates indicated below:



Capital Appreciation Bonds

Principal Payment Dates (August 1)	Estimated Original Principal Amounts	Estimated Maturity Amounts	Estimated Interest Rate
February 1, 1991	\$799,907	\$1,210,000	8.25%
August 1, 1991	\$768,217	1,210,000	8.25%
February 1, 1992	\$727,029	1,210,000	8.50%
August 1, 1992	\$697,384	1,210,000	8.50%
February 1, 1993	\$659,886	1,210,000	8.70%
August 1, 1993	\$632,382	1,210,000	8.70%
February 1, 1994	\$596,663	1,210,000	8.90%
August 1, 1994	\$571,241	1,210,000	8.90%
February 1, 1995	\$537,446	1,210,000	9.10%
August 1, 1995	\$514,056	1,210,000	9.10%
February 1, 1996	\$482,258	1,210,000	9.30%
August 1, 1996	\$460,829	1,210,000	9.30%
February 1, 1997	\$435,697	1,212,250	9.40%
August 1, 1997	\$232,146	1,212,250	9.40%
February 1, 1998	\$219,172	1,212,250	9.50%
August 1, 1998	\$209,236	1,212,250	9.50%
February 1, 1999	\$197,262	1,212,250	9.60%
August 1, 1999	\$188,224	1,212,250	9.60%
February 1, 2000	\$177,201	1,212,250	9.70%
August 1, 2000	\$169,006	1,212,250	9.70%

The interest rate with respect to the Capital Appreciation Bonds is subject to rounding to correspond to the Compound Accreted Amounts as set forth in the table of Compound Accreted Amounts provided herein. The total interest on each Capital Appreciation Bond shall be an amount equal to, as of any February 1 or August 1, the amount by which the Compound Accreted Amount for such Capital Appreciation Bond exceeds the original principal amount of such Capital Appreciation Bond on the date of its initial issuance and delivery.

The estimated Compound Accreted Amounts for Capital Appreciation Bonds are as follows:

Compound Accreted Amounts for Capital Appreciation Bonds

Due: February 1, 1991

Date	Estimated Compound Accreted Amount [To be provided]	Estimated Amount per \$5,000
February 1, 1986		3337.49
August 1, 1986		3475.16
February 1, 1987		3618.51
August 1, 1987		3767.77
February 1, 1988		3923.20
August 1, 1988		4085.03
February 1, 1989		4253.53
August 1, 1989		4428.99
February 1, 1990		4611.69
August 1, 1990		4801.92
February 1, 1991		5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: August 1, 1991

<u>Date</u>	<u>Estimated Compound Accreted Amount [To be provided]</u>	<u>Estimated Amount per \$5,000</u>
February 1, 1986		3205.27
August 1, 1986		3337.49
February 1, 1987		3475.16
August 1, 1987		3618.51
February 1, 1988		3767.77
August 1, 1988		3923.20
February 1, 1989		4085.03
August 1, 1989		4253.53
February 1, 1990		4428.99
August 1, 1990		4611.69
February 1, 1991		4801.92
August 1, 1991		5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: February 1, 1992

<u>Date</u>	<u>Estimated Compound Accreted Amount [To be provided]</u>	<u>Estimated Amount per \$5,000</u>
February 1, 1986		3034.29
August 1, 1986		3163.25
February 1, 1987		3297.69
August 1, 1987		3437.84
February 1, 1988		3583.95
August 1, 1988		3736.26
February 1, 1989		3895.06
August 1, 1989		4060.60
February 1, 1990		4233.17
August 1, 1990		4413.08
February 1, 1991		4600.64
August 1, 1991		4796.16
February 1 1992		5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: August 1, 1992

<u>Date</u>	<u>Estimated Compound Accreted Amount [To be provided]</u>	<u>Estimated Amount per \$5,000</u>
February 1, 1986		2910.59
August 1, 1986		3034.29
February 1, 1987		3163.25
August 1, 1987		3297.69
February 1, 1988		3437.84
August 1, 1988		3583.95
February 1, 1989		3736.26
August 1, 1989		3895.06
February 1, 1990		4060.60
August 1, 1990		4233.17
February 1, 1991		4413.17
August 1, 1991		4600.64
February 1 1992		4796.16
August 1, 1992		5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: August 1, 1993

<u>Date</u>	<u>Estimated Compound Accreted Amount</u> [To be provided]	<u>Estimated Amount per \$5,000</u>
February 1, 1986		2639.87
August 1, 1986		2754.71
February 1, 1987		2874.54
August 1, 1987		2999.58
February 1, 1988		3130.06
August 1, 1988		3266.22
February 1, 1989		3408.30
August 1, 1989		3556.56
February 1, 1990		3711.27
August 1, 1990		3872.71
February 1, 1991		4041.18
August 1, 1991		4216.97
February 1 1992		4400.40
August 1, 1992		4591.82
February 1, 1993		4791.57
August 1, 1993		5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: February 1, 1994

<u>Date</u>	<u>Estimated Compound Accreted Amount</u> [To be provided]	<u>Estimated Amount per \$5,000</u>
February 1, 1986		2491.35
August 1, 1986		2602.22
February 1, 1987		2718.01
August 1, 1987		2838.97
February 1, 1988		2965.30
August 1, 1988		3097.26
February 1, 1989		3235.08
August 1, 1989		3379.05
February 1, 1990		3529.41
August 1, 1990		3686.47
February 1, 1991		3850.53
August 1, 1991		4021.87
February 1 1992		4200.84
August 1, 1992		4387.78
February 1, 1993		4583.03
August 1, 1993		4786.98
February 1, 1994		5000.00



Compound Accreted Amounts for Capital Appreciation Bonds

Due: August 1, 1994

<u>Date</u>	<u>Estimated Compound Accreted Amount</u> [To be provided]	<u>Estimated Amount per \$5,000</u>
February 1, 1986		2385.21
August 1, 1986		2491.35
February 1, 1987		2602.22
August 1, 1987		2718.01
February 1, 1988		2838.97
August 1, 1988		2965.30
February 1, 1989		3097.26
August 1, 1989		3235.08
February 1, 1990		3379.05
August 1, 1990		3529.41
February 1, 1991		3686.47
August 1, 1991		3850.52
February 1 1992		4021.87
August 1, 1992		4200.84
February 1, 1993		4387.78
August 1, 1993		4583.03
February 1, 1994		4786.98
August 1, 1994		5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: February 1, 1995

<u>Date</u>	<u>Estimated Compound Accreted Amount</u> [To be provided]	<u>Estimated Amount per \$5,000</u>
February 1, 1986		2244.59
August 1, 1986		2346.72
February 1, 1987		2453.50
August 1, 1987		2565.13
February 1, 1988		2681.84
August 1, 1988		2803.87
February 1, 1989		2931.44
August 1, 1989		3064.82
February 1, 1990		3204.27
August 1, 1990		3350.07
February 1, 1991		3502.50
August 1, 1991		3661.86
February 1 1992		3828.47
August 1, 1992		4002.67
February 1, 1993		4184.79
August 1, 1993		4375.20
February 1, 1994		4574.27
August 1, 1994		4782.40
February 1, 1995		5000.00



Compound Accreted Amounts for Capital Appreciation Bonds

Due: August 1, 1995

<u>Date</u>	<u>Estimated Compound Accreted Amount</u> [To be provided]	<u>Estimated Amount per \$5,000</u>
February 1, 1986		2146.91
August 1, 1986		2244.59
February 1, 1987		2346.72
August 1, 1987		2453.50
February 1, 1988		2565.13
August 1, 1988		2681.84
February 1, 1989		2803.87
August 1, 1989		2931.44
February 1, 1990		3064.82
August 1, 1990		3204.27
February 1, 1991		3350.07
August 1, 1991		3502.50
February 1 1992		3661.86
August 1, 1992		3828.47
February 1, 1993		4002.67
August 1, 1993		4184.79
February 1, 1994		4375.20
August 1, 1994		4574.27
February 1, 1995		4782.40
August 1, 1995		5000.00

[Intervening dates to be provided]

Compound Accreted Amounts for Capital Appreciation Bonds

Due: August 1, 1998

<u>Date</u>	<u>Estimated Compound Accreted Amount</u> [To be provided]	<u>Estimated Amount per \$5,000</u>
February 1, 1986		1567.18
August 1, 1986		1641.62
February 1, 1987		1719.60
August 1, 1987		1801.28
February 1, 1988		1886.84
August 1, 1988		1976.47
February 1, 1989		2070.35
August 1, 1989		2168.69
February 1, 1990		2271.70
August 1, 1990		2379.61
February 1, 1991		2492.64
August 1, 1991		2611.04
February 1 1992		2735.06
August 1, 1992		2864.98
February 1, 1993		3001.07
August 1, 1993		3143.62
February 1, 1994		3292.94
August 1, 1994		3449.35
February 1, 1995		3613.20
August 1, 1995		3784.83
February 1, 1996		3964.60
August 1, 1996		4152.92
February 1, 1997		4350.19
August 1, 1997		4556.82
February 1, 1998		4773.27
August 1, 1998		5000.00



Compound Accreted Amounts for Capital Appreciation Bonds

Due: February 1, 1999

<u>Date</u>	<u>Estimated Compound Accreted Amount</u> [To be provided]	<u>Estimated Amount per \$5,000</u>
February 1, 1986		1477.67
August 1, 1986		1548.60
February 1, 1987		1622.93
August 1, 1987		1700.83
February 1, 1988		1782.47
August 1, 1988		1868.03
February 1, 1989		1957.69
August 1, 1989		2051.66
February 1, 1990		2150.14
August 1, 1990		2253.35
February 1, 1991		2361.51
August 1, 1991		2474.86
February 1 1992		2593.65
August 1, 1992		2718.15
February 1, 1993		2848.62
August 1, 1993		2985.35
February 1, 1994		3128.65
August 1, 1994		3278.83
February 1, 1995		3436.21
August 1, 1995		3601.15
February 1, 1996		3774.00
August 1, 1996		3955.16
February 1, 1997		4145.00
August 1, 1997		4343.96
February 1, 1998		4552.47
August 1, 1998		4770.99
February 1, 1999		5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: August 1, 1999

<u>Date</u>	<u>Estimated Compound Accreted Amount</u> [To be provided]	<u>Estimated Amount per \$5,000</u>
February 1, 1986		1409.99
August 1, 1986		1477.67
February 1, 1987		1548.60
August 1, 1987		1622.93
February 1, 1988		1700.83
August 1, 1988		1782.47
February 1, 1989		1868.03
August 1, 1989		1957.69
February 1, 1990		2051.66
August 1, 1990		2150.14
February 1, 1991		2253.35
August 1, 1991		2361.51
February 1 1992		2474.86
August 1, 1992		2593.65
February 1, 1993		2718.15
August 1, 1993		2848.62
February 1, 1994		2985.35
August 1, 1994		3128.65
February 1, 1995		3278.83
August 1, 1995		3436.21
February 1, 1996		3601.15
August 1, 1996		3774.00
February 1, 1997		3955.16
August 1, 1997		4145.00
February 1, 1998		4343.96
August 1, 1998		4552.47
February 1, 1999		4770.99
August 1, 1999		5000.00



Compound Accreted Amounts for Capital Appreciation Bonds

Due: February 1, 2000

<u>Date</u>	<u>Estimated Compound Accreted Amount [To be provided]</u>	<u>Estimated Amount per \$5,000</u>
February 1, 1986		1327.56
August 1, 1986		1391.95
February 1, 1987		1459.45
August 1, 1987		1530.24
February 1, 1988		1604.46
August 1, 1988		1682.27
February 1, 1989		1763.86
August 1, 1989		1849.41
February 1, 1990		1939.10
August 1, 1990		2033.15
February 1, 1991		2131.76
August 1, 1991		2235.15
February 1, 1992		2343.55
August 1, 1992		2457.22
February 1, 1993		2576.39
August 1, 1993		2701.35
February 1, 1994		2832.36
August 1, 1994		2969.73
February 1, 1995		3113.76
August 1, 1995		3264.78
February 1, 1996		3423.12
August 1, 1996		3589.14
February 1, 1997		3763.22
August 1, 1997		3945.73
February 1, 1998		4137.10
August 1, 1998		4337.75
February 1, 1999		4548.13
August 1, 1999		4768.72
February 1, 2000		5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: August 1, 2000

<u>Date</u>	<u>Estimated Compound Accreted Amount [To be provided]</u>	<u>Estimated Amount per \$5,000</u>
February 1, 1986		1266.15
August 1, 1986		1327.56
February 1, 1987		1391.95
August 1, 1987		1459.45
February 1, 1988		1530.24
August 1, 1988		1604.46
February 1, 1989		1682.27
August 1, 1989		1763.86
February 1, 1990		1849.41
August 1, 1990		1939.10
February 1, 1991		2033.15
August 1, 1991		2131.76
February 1, 1992		2235.15
August 1, 1992		2343.55
February 1, 1993		2457.22
August 1, 1993		2576.39
February 1, 1994		2701.35
August 1, 1994		2832.36
February 1, 1995		2969.73
August 1, 1995		3113.76
February 1, 1996		3264.78
August 1, 1996		3423.12
February 1, 1997		3589.14
August 1, 1997		3763.22
February 1, 1998		3945.73
August 1, 1998		4137.10
February 1, 1999		4337.75
August 1, 1999		4548.13
February 1, 2000		4768.72
August 1, 2000		5000.00



Section 4. Principal of and interest and any premium due on the Refunding Bonds shall be payable in lawful money of the United States of America without deduction for the services of Summit Bank, Fort Wayne, Indiana, and Manufacturers Hanover Trust Company New York, New York as the paying agents (the "Paying Agents"). The principal of and any premium on any Refunding Bond, interest on any Bond Income Growth Security from the date of issuance to the Conversion Date, and interest on any Capital Appreciation Bond, shall be payable when due to the person in whose name a Refunding Bond is registered (the "Holder") on the books (the "Register") kept and maintained by Summit Bank (the "Registrar") for registration and transfer of the Refunding Bonds at the principal offices of the Paying Agents and interest on any Refunding Bond, other than Bond Income Growth Securities from the date of issuance to the Conversion Date and Capital Appreciation Bonds, shall be paid on each Interest Payment Date by check or draft which the Paying Agents shall cause to be mailed on that date to the Holder of the Refunding Bond (or one or more Predecessor Bonds, as hereinafter defined) as of the close of business on the 15th day of the calendar month next preceding an Interest Payment Date applicable to that Refunding Bond (the "Regular Record Date") at the Holder's address as it appears on the Register. If and to the extent that the City shall fail to make payment or provision for payment of interest on any Refunding Bond, other than Bond Income Growth Securities from the date of issuance to the Conversion Date and Capital Appreciation Bonds, on any Interest Payment Date, that interest shall cease to be payable to the person who was the Holder of that Refunding Bond (or of one or more Predecessor Bonds) as of the applicable Regular Record Date. In that event, when moneys become available for payment of the interest, (i) the Registrar shall establish a special record date (the "Special Record Date") for the payment of that interest, which Special Record Date shall be not more than 15 nor fewer than 10 days prior to the date of the proposed payment and (ii) the Registrar shall cause notice of the proposed payment and of the Special Record Date to be mailed by first class mail, postage prepaid, to each Holder at its address as it appears on the Register not fewer than 10 days prior to the Special Record Date and, thereafter, the interest shall be payable to the persons who are the Holders of the Bonds (or their respective Predecessor Bonds) at the close of business on the Special Record Date. As used herein, "Predecessor Bond" means, with respect to any particular Refunding Bond, every previous Refunding Bond evidencing all or a portion of the same debt as that evidenced by the particular Refunding Bond. The Refunding Bonds shall mature on August 1 in the years and amounts as set forth in Section 3 hereof.

Section 5. The Refunding Bonds shall be subject to redemption prior to stated maturity as follows:

Mandatory Sinking Fund Redemption of Bond Income Growth Securities. The Bond Income Growth Securities maturing on August 1, 2005 are subject to mandatory redemption pursuant to mandatory sinking fund requirements, at a redemption price of 100% of the then applicable Compound Accreted Value of such Bond Income Growth Securities, plus accrued interest from the Conversion Date to the redemption date, on February 1 and August 1, in the estimated principal amounts and on the dates indicated below:

<u>Redemption Date</u>	<u>Compound Accreted Amount</u>
February 1, 2001	[To be provided]
August 1, 2001	
February 1, 2002	
August 1, 2002	
February 1, 2003	
August 1, 2003	
February 1, 2004	
August 1, 2004	
February 1, 2005	
August 1, 2005	

The aggregate of the net revenues of the sewage works specified in Section 13 hereof, which is to be deposited in the Sewage Works Sinking Fund, as hereinafter defined, shall include amounts sufficient to redeem the Compound Accreted

Amount of Bond Income Growth Securities set forth opposite each of the dates set forth above (less the amount of any credit as provided below).

The City shall have the option to deliver to the Registrar for cancellation Bond Income Growth Securities in any aggregate Compound Accreted Amount and to receive a credit against the then current mandatory sinking fund requirement (and corresponding mandatory redemption obligation) of the City for the Bond Income Growth Securities. That option shall be exercised by the City on or before the 45th day preceding the applicable mandatory redemption date, by furnishing the Registrar a certificate, executed by an authorized official of the City or any member of this Common Council, as the case may be, setting forth the extent of the credit to be applied with respect to the then current mandatory sinking fund requirement. If the certificate is not timely furnished to the Registrar, the mandatory sinking fund requirement (and corresponding mandatory redemption obligation) shall not be reduced. Unless the City has otherwise directed, a credit against the then current mandatory sinking fund requirement (and corresponding mandatory redemption obligation) also shall be received by the City for any Bond Income Growth Security which prior thereto have been redeemed (other than through the operation of the mandatory sinking fund requirements) or purchased for cancellation and cancelled by the Registrar, to the extent not applied theretofore as a credit against any redemption obligation.

Each Bond Income Growth Security so delivered, or previously redeemed, or purchased and cancelled, shall be credited by the Registrar at 100% of the compound accreted amount thereof against the then current mandatory sinking fund obligation. Any excess of that amount over the then current mandatory sinking fund requirement shall be credited against subsequent sinking fund redemption obligations in the order directed by the City.

The notice of the call for redemption of Refunding Bonds shall identify (i) by designation, letters, numbers or other distinguishing marks, the Refunding Bonds or portions thereof to be redeemed, (ii) the redemption price to be paid, (iii) the date fixed for redemption and (iv) the place or places where the amounts due upon redemption are payable. The notice shall be given by the Registrar on behalf of the City by mailing a copy of the redemption notice by first class mail, postage prepaid, at least 30 days prior to the date fixed for redemption to the Holder of each Refunding Bond subject to redemption in whole or in part at the Holder's address shown on the Register on the 15th day preceding that mailing; provided that no failure to receive notice by mailing, and no defect in that notice, as to any Refunding Bond shall affect the validity of the proceedings for the redemption of any Refunding Bond.

Notice having been mailed in the manner heretofore provided, the Refunding Bonds and portions thereof called for redemption shall become due and payable on the redemption date and, upon presentation and surrender thereof at the place or places specified in that notice, shall be paid at the redemption price, plus accrued interest to the redemption date.

If moneys for the redemption of all of the Refunding Bonds and portions thereof to be redeemed, together with interest thereon to the redemption date, are held by the Registrar on the redemption date so as to be available therefor on that date and, if notice of redemption shall have been mailed in the manner heretofore provided, then from and after the redemption date those Refunding Bonds and portions thereof called for redemption shall cease to bear interest and no longer shall be considered to be outstanding hereunder. If those moneys shall not be so available on the redemption date, or that notice shall not have been mailed as aforesaid, those Refunding Bonds and portions thereof shall continue to bear interest, until they are paid, at the same rate as they would have borne had they not been called for redemption.



All moneys deposited with and held by the Registrar for the redemption of particular Refunding Bonds shall be held in trust for the account of the Holders thereof and shall be paid to them, respectively, upon presentation and surrender of those Refunding Bonds.

Section 6. The Refunding Bonds shall be signed in the name of the City of Fort Wayne by the manual or facsimile signature of the Mayor, countersigned by the manual or facsimile signature of the City Controller and attested by the manual or facsimile signature of the Clerk, who shall affix the seal of said City to each of the Refunding Bonds manually or shall have the seal imprinted or impressed thereon by facsimile or by any other means. The Refunding Bonds may, where appropriate, bear the manual or facsimile signatures of validly appointed Deputy officials. Subject to provisions for registration, the Refunding Bonds shall have all of the qualities and incidents of negotiable instruments under the laws of the State of Indiana.

The Refunding Bonds, and any bonds ranking on a parity therewith, as to both principal and interest, shall be payable from and secured by an irrevocable pledge of and shall constitute a charge upon all the net revenues (herein defined as the gross revenues after deduction only for the payment of the reasonable expenses of operation, repair and maintenance) derived from the sewage works of the City, including the works heretofore constructed and all additions and improvements thereto and replacements thereof presently or subsequently constructed or acquired; subject, however, to the prior payment in accordance with the terms thereof, of the principal of and interest on the Outstanding Bonds payable from the revenues of the City's sewage works as hereinbefore set forth, said Outstanding Bonds being a first charge against said net revenues. The City shall not be obligated to pay the Refunding Bonds or the interest thereon except from the net revenues of said works, and the Refunding Bonds shall not constitute an indebtedness of the City within the meaning of the provisions and limitations of the constitution or statutes of the State of Indiana.

Section 7. The form and tenor of the Refunding Bonds shall be substantially as follows, all blanks to be filled in properly prior to delivery thereof:

[FORM OF CURRENT INTEREST BOND]

[FORM OF FACE OF CURRENT INTEREST BOND]

UNITED STATES OF AMERICA

State of Indiana

County of Allen

REGISTERED

REGISTERED

No. \_\_\_\_\_

\$

CITY OF FORT WAYNE  
SEWAGE WORKS REFUNDING BOND

Interest Rate: \_\_\_\_\_ Maturity Date: \_\_\_\_\_ Dated as of: \_\_\_\_\_ CUSIP: \_\_\_\_\_  
\_\_\_\_\_ % per annum \_\_\_\_\_ November 1, 1985 \_\_\_\_\_

Registered Owner: \_\_\_\_\_ Principal Amount: \_\_\_\_\_ DOLLARS

The City of Fort Wayne (the "City"), in Allen County, State of Indiana, for value received, hereby promises to pay to the aforesaid Registered Owner, or registered assigns, solely out of the special revenue fund hereinafter referred to, the aforesaid Principal Amount on the aforesaid Maturity Date, and to pay interest thereon from that special revenue fund at the aforesaid Interest Rate, payable on the first days of February and August in each year or, if such day is not a business day, on the immediately preceding business day, beginning on February 1, 1986 (the "Interest Payment Dates") until the aforesaid Principal Amount is paid or duly provided for. This Refunding Bond will bear interest from the most recent date to which interest has been paid or duly provided

for or, if no interest has been paid or duly provided for, from its date. This Refunding Bond is issued as a Current Interest Bond (as defined in the Bond Ordinance, as hereinafter defined, and herein called a "Current Interest Bond").

The principal of and any premium on this Refunding Bond are payable upon presentation and surrender hereof at the principal office of the Paying Agents, presently Summit Bank, Fort Wayne, Indiana and Manufacturers Hanover Trust Company, New York, New York (the "Paying Agents"). Interest is payable on each Interest Payment Date by check or draft mailed to the person in whose name this Refunding Bond (or one or more predecessor bonds) is registered (the "Holder") at the close of business on the 15th business day of the calendar month next preceding that Interest Payment Date (the "Regular Record Date") on the registration books for this issue maintained by Summit Bank, as Registrar (the "Registrar"), at the address appearing therein. Any interest which is not timely paid or duly provided for shall cease to be payable to the Holder hereof (or of one or more predecessor bonds) as of the Regular Record Date, and shall be payable to the Holder hereof (or of one or more predecessor bonds) at the close of business on a Special Record Date to be fixed by the Registrar for the payment of that overdue interest. Notice of the Special Record Date shall be mailed to Holders not less than ten days prior thereto. The principal of and interest on and premium, if any, on this Refunding Bond are payable in lawful money of the United States of America, without deduction for the services of the Paying Agents.

This Refunding Bond is one of an authorized issue of Sewer Works Refunding Bonds (the "Refunding Bonds") of the City of Fort Wayne, of like date, tenor and effect, except as to numbering, interest rates, and dates of maturity, in the total original principal amount of Seventeen Million Three Hundred Forty-Five Thousand, Seven Hundred and Sixty-Three Dollars (\$17,345,763), issued for the purpose of providing funds to be applied to the refunding of the City's Sewage Works Improvement Revenue Bonds, dated November 1, 1959, now outstanding in the amount of Six Hundred Forty Thousand Dollars (\$640,000), the City's Sewage Works Improvement Revenue Bonds of 1961, dated August 1, 1961, now outstanding in the amount of Nine Hundred Thirty Thousand Dollars (\$930,000), the City's Sewage Works Improvement Revenue Bonds of 1970, dated April 1, 1970, now outstanding in the amount of One Million Eight Hundred Thirty Thousand Dollars (\$1,830,000), the City's Sewage Works Improvement Revenue Bonds of 1975, dated January 1, 1975, now outstanding in the amount of Five Million Two Hundred Eighty-Five Thousand Dollars (\$5,285,000), the City's Sewage Works Revenue Bonds of 1982, dated July 1, 1982, now outstanding in the amount of Three Million Four Hundred Thousand Dollars (\$3,400,000), and the City's Sewer Connection Revenue Bonds of 1982, dated July 1, 1982, now outstanding in the amount of Three Million Nine Hundred Forty Thousand Dollars (\$3,940,000) (collectively, the "Outstanding Bonds"), including the cost of issuance, as authorized by an ordinance (the "Bond Ordinance") adopted by the Common Council of the City of Fort Wayne on the \_\_\_\_ day of \_\_\_\_, 1985, entitled "An Ordinance concerning the issuance of junior revenue refunding bonds of the City of Fort Wayne, Indiana in the estimated principal amount of \$4,440,000 with respect to current interest bonds and an estimated original principal amount of \$3,630,521 with respect bond income growth securities and \$9,275,242 with respect to capital appreciation bonds, together aggregating an original principal amount now estimated to be \$17,345,763, to provide for the refunding of revenue bonds which were issued to provide for the cost of the construction of additions and improvements to the sewage works of the City of Fort Wayne, the collection, segregation and distribution of the revenues of said works, the safeguarding of the interests of the holders of said junior revenue refunding bonds, and other matters connected therewith and for repealing ordinances inconsistent



therewith" and in strict compliance with the provisions of I.C. 36-9-23 (the "Sewer Act") and I.C. 5-1-5 (the "Refunding Act").

This Refunding Bond shall not be entitled to any benefit under the Bond Ordinance or become valid or obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Registrar.

REFERENCE IS MADE TO THE FURTHER PROVISIONS OF THIS REFUNDING BOND SET FORTH ON THE REVERSE SIDE. THOSE PROVISIONS SHALL HAVE THE SAME EFFECT FOR ALL PURPOSES AS IF SET FORTH HERE.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the execution, issuance and delivery of this Refunding Bond have been done and performed in regular and due form as provided by law.

Date of        This Refunding Bond  
Registra-    is one of the Re-  
tion and     funding Bonds de-  
Authenti-   scribed in the  
cation:      within-mentioned  
\_\_\_\_\_     Bond Ordinance.

SUMMIT BANK,  
Fort Wayne,  
Indiana,  
Registrar

By: \_\_\_\_\_  
         Authorized  
         Officer

Registrable at:  
Summit Bank,  
Fort Wayne,  
Indiana

Payable by:  
Summit Bank,  
Fort Wayne,  
Indiana, and  
Manufacturers  
Hanover Trust  
Company,  
New York,  
New York

IN WITNESS WHEREOF,  
the City of Fort Wayne,  
in Allen County, State  
of Indiana, has caused  
this Refunding Bond to  
be executed in its cor-  
porate name by the man-  
ual or facsimile signa-  
ture of the Mayor of  
the City, countersigned  
by the manual or fac-  
simile signature of  
the City Controller,  
its corporate seal to  
be hereunto affixed  
manually, or imprinted  
or impressed thereon by  
facsimile or by any  
other means, and at-  
tested manually or by  
facsimile by its Clerk  
as of the first day of  
December, 1985.

CITY OF FORT WAYNE

By \_\_\_\_\_  
         Mayor

Attest:

Countersigned:

\_\_\_\_\_  
Clerk

\_\_\_\_\_  
City Controller



[FORM OF REVERSE SIDE OF CURRENT INTEREST BOND]

Pursuant to the provisions of the Sewer Act and the Refunding Act and the Bond Ordinance, the principal and interest of this Refunding Bond and all other Refunding Bonds of said issue, and any bonds ranking on a parity therewith, are payable solely from the Sewage Works Sinking Fund heretofore created by Ordinance No. 1939, adopted July 26, 1938 (the "Sewage Works Sinking Fund") and continued by the ordinances authorizing the issuance of the aforementioned Outstanding Bonds to be provided from the net revenues (herein defined as the gross revenues after deduction only for the payment of the reasonable expenses of operation, repair and maintenance) derived from the sewage works of the City of Fort Wayne, and all additions and improvements thereto and replacements thereof subsequently constructed or acquired; subject, however, to the prior payment from the Sewage Works Sinking Fund of the principal and interest on the Outstanding Bonds, which Outstanding Bonds are of equal priority and are payable annually over a period ending on August 1, 2000. This Refunding Bond shall not constitute an indebtedness of the City of Fort Wayne within the meaning of the provisions and limitations of the constitution or statutes of the State of Indiana, and the City shall not be obligated to pay this Refunding Bond or the interest thereon except from said special fund provided from said net revenues.

Subject to the prior servicing of the Outstanding Bonds, the City of Fort Wayne irrevocably pledges the entire net revenues of said sewage works to the prompt payment of the principal of and interest on the Refunding Bonds authorized by the Bond Ordinance, of which this is one, and covenants that it will cause to be fixed, maintained and collected such rates and charges for service rendered by said works as are sufficient in each year for the payment of the proper and reasonable expenses of operation, repair and maintenance of said works, to provide for proper depreciation, and for the payment of the sums required to be paid into the Sewage Works Sinking Fund under the provisions of the Sewer Act and the Refunding Act and the Bond Ordinance. In the event the City or the proper officers thereof shall fail or refuse to so fix, maintain and collect such rates or charges, or if there be a default in the payment of the interest on or principal of this Refunding Bond, the Holder of this Refunding Bond shall have all of the rights and remedies provided for in the Sewer Act and the Refunding Act and the acts amendatory thereof and supplemental thereto, including the right to have a receiver appointed to administer the works and to charge and collect rates sufficient to provide for the payment of this Refunding Bond and the interest hereon.

The City of Fort Wayne further covenants that it will set aside and pay into its Sewage Works Sinking Fund a sufficient amount of the net revenues of said works to meet (a) the interest on all Refunding Bonds payable from the revenues of said sewage works, as such interest shall fall due; provided, however, that credit shall be given for interest payable on any Outstanding Bonds, so long as sufficient funds are available under the Escrow Agreement for the payment thereof, (b) the necessary fiscal agency charges for paying all Refunding Bonds and interest, (c) the principal of all Refunding Bonds payable from the revenues of said sewage works, as such principal shall fall due; provided, however, that credit shall be given for interest payable on any Outstanding Bonds, so long as sufficient funds are available under the Escrow Agreement for the payment thereof, and (d) an additional amount as a margin of safety, which margin, together with any unused surplus of such margin carried forward from the preceding year, shall equal not less than ten percent (10%) of all other amounts so required to be paid into the Sewage Works Sinking Fund together with other sums to be held as reserves as provided in the Bond

Ordinance. Such required payments shall constitute a charge upon all the net revenues of said works; subject, however, to the prior payment from the Sewage Works Sinking Fund of the principal and interest on the Outstanding Bonds.

If any Current Interest Bond shall not be presented for payment of principal or premium on the date fixed therefor, or in the event any check or draft for interest on any Current Interest Bond is uncashed, the City may deposit in trust with the Registrar an amount sufficient to pay the principal then due of that Current Interest Bond or such check or draft, as the case may be, and thereafter the Holder shall look only to the funds so deposited in trust with the Registrar for payment and the City shall have no further obligation or liability in respect thereto.

Subject to provisions for registration, this Refunding Bond and all other Refunding Bonds of said issue shall have all the qualities and incidents of negotiable instruments under the laws of the State of Indiana.

The Current Interest Bonds are issuable only as fully registered bonds in the principal amount of \$5,000 or any integral multiple thereof (an "Authorized Denomination"). The Current Interest Bonds are exchangeable for Current Interest Bonds of other Authorized Denominations in equal aggregate principal amounts at the office of the Registrar but only in the manner and subject to the limitations provided in the Bond Ordinance. This Refunding Bond is transferable at the office of the Registrar, by the Holder in person or by his attorney duly authorized in writing, upon presentation and surrender hereof to the Registrar.

[LEGAL OPINION]

[FORM OF ASSIGNMENT]

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers unto \_\_\_\_\_

\_\_\_\_\_ the within Refunding Bond and irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer that Refunding Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Refunding Bond in every particular, without alteration or any change whatever.

The social security number, taxpayer identification number, or other identifying number of the assignee is to be inserted in the box.



[FORM OF BOND INCOME GROWTH SECURITY]

[FORM OF FACE OF BOND INCOME GROWTH SECURITY]

UNITED STATES OF AMERICA

State of Indiana

County of Allen

REGISTERED

REGISTERED

No. \_\_\_\_\_

\$

CITY OF FORT WAYNE  
SEWAGE WORKS REFUNDING BOND

Maturity Date: \_\_\_\_\_

Dated as of: \_\_\_\_\_

CUSIP: \_\_\_\_\_

Registered Owner: \_\_\_\_\_ Per \$5,000 Conversion Amount \_\_\_\_\_ Principal Amount  
DOLLARS

The City of Fort Wayne (the "City"), in Allen County, State of Indiana, for value received, hereby promises to pay to the aforesaid Registered Owner, or registered assigns, solely out of the special revenue fund hereinafter referred to, the aforesaid Conversion Amount on the aforesaid Maturity Date, or the applicable Compound Accreted Amount (as reflected in the Schedule of Compound Accreted Amounts set forth herein and herein called the "Compound Accreted Amount") upon redemption or payment hereof prior to February 1, 1997 (the "Conversion Date"), and to pay interest on the Conversion Amount from the Conversion Date to maturity or earlier redemption from that special revenue fund at the rate of \_\_\_\_\_% per annum, payable on the first days of February and August in each year commencing August 1, 1997 or, if any such day is not a business day, on the immediately preceding business day (the "Interest Payment Dates"), until the aforesaid Conversion Amount is paid or duly provided for. This Refunding Bond is issued as a Bond Income Growth Security (as defined in the Bond Ordinance, hereinafter defined, and herein called a "Bond Income Growth Security"). The provisions respecting redemption of Bond Income Growth Securities hereinafter set forth apply only to the Bond Income Growth Securities. Any person in whose name this Bond Income Growth Security is registered (the "Holder") should not sell or otherwise dispose of this Bond Income Growth Security without taking appropriate steps to determine the Compound Accreted Amount of this Bond Income Growth Security. This Refunding Bond will bear interest from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid or duly provided for, from its date.

The principal of and any premium on and interest accruing prior to the Conversion Date on this Refunding Bond are payable upon presentation and surrender hereof at the principal office of the Paying Agents, presently Summit Bank, Fort Wayne, Indiana and Manufacturers Hanover Trust Company, New York, New York (the "Paying Agents"). Interest is payable on each Interest Payment Date by check or draft mailed to the person in whose name this Refunding Bond (or one or more predecessor bonds) is registered (the "Holder") at the close of business on the 15th business day of the calendar month next preceding that Interest Payment Date (the "Regular Record Date") on the registration books for this issue maintained by Summit Bank, as Registrar (the "Registrar"), at the address appearing therein. Any interest accruing on or after the Conversion Date which is not timely paid or duly provided for shall cease to be payable to the Holder hereof (or of one or more predecessor bonds) as of the Regular Record Date, and shall be payable to the Holder hereof (or of one or more predecessor bonds) at the close of business on a Special Record Date to be fixed by the Registrar

for the payment of that overdue interest. Notice of the Special Record Date shall be mailed to Holders not less than ten days prior thereto. The principal of and interest on and premium, if any, on this Refunding Bond are payable in lawful money of the United States of America, without deduction for the services of the Paying Agents.

This Refunding Bond is one of an authorized issue of Sewer Works Refunding Bonds (the "Refunding Bonds") of the City of Fort Wayne, of like date, tenor and effect, except as to numbering, interest rates, and dates of maturity, in the total original principal amount of Seventeen Million Three Hundred Forty-Five Thousand Seven Hundred Sixty Three Dollars (\$17,345,763), issued for the purpose of providing funds to be applied to the refunding of the City's Sewage Works Improvement Revenue Bonds, dated November 1, 1959, now outstanding in the amount of Six Hundred Forty Thousand Dollars (\$640,000), the City's Sewage Works Improvement Revenue Bonds of 1961, dated August 1, 1961, now outstanding in the amount of Nine Hundred Thirty Thousand Dollars (\$930,000), the City's Sewage Works Improvement Revenue Bonds of 1970, dated April 1, 1970, now outstanding in the amount of One Million Eight Hundred Thirty Thousand Dollars (\$1,830,000), the City's Sewage Works Improvement Revenue Bonds of 1975, dated January 1, 1975, now outstanding in the amount of Five Million Two Hundred Eighty-Five Thousand Dollars (\$5,285,000), the City's Sewage Works Revenue Bonds of 1982, dated July 1, 1982, now outstanding in the amount of Three Million Four Hundred Thousand Dollars (\$3,400,000), and the City's Sewer Connection Revenue Bonds of 1982, dated July 1, 1982, now outstanding in the amount of Three Million Nine Hundred Forty Thousand Dollars (\$3,940,000) (collectively, the "Outstanding Bonds"), including the cost of issuance, as authorized by an ordinance (the "Bond Ordinance") adopted by the Common Council of the City of Fort Wayne on the \_\_\_\_\_ day of \_\_\_\_\_, 1985, entitled "An Ordinance concerning the issuance of junior revenue refunding bonds of the City of Fort Wayne, Indiana in the estimated principal amount of \$4,440,000 with respect to current interest bonds and an estimated original principal amount of \$3,630,521 with respect bond income growth securities and \$9,275,242 with respect to capital appreciation bonds, together aggregating an original principal amount now estimated to be \$17,345,763, to provide for the refunding of revenue bonds which were issued to provide for the cost of the construction of additions and improvements to the sewage works of the City of Fort Wayne, the collection, segregation and distribution of the revenues of said works, the safeguarding of the interests of the holders of said junior revenue refunding bonds, and other matters connected therewith and for repealing ordinances inconsistent therewith and in strict compliance with the provisions of I.C. 36-9-23 (the "Sewer Act") and I.C. 5-1-5 (the "Refunding Act").

This Refunding Bond shall not be entitled to any benefit under the Bond Ordinance or become valid or obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Registrar.

REFERENCE IS MADE TO THE FURTHER PROVISIONS OF THIS REFUNDING BOND SET FORTH ON THE REVERSE SIDE. THOSE PROVISIONS SHALL HAVE THE SAME EFFECT FOR ALL PURPOSES AS IF SET FORTH HERE.



It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the execution, issuance and delivery of this Refunding Bond have been done and performed in regular and due form as provided by law.

Date of  
Registra-  
tion and  
Authenti-  
cation:  
\_\_\_\_\_

This Refunding Bond  
is one of the Re-  
funding Bonds de-  
scribed in the  
within-mentioned  
Bond Ordinance.

SUMMIT BANK,  
Fort Wayne,  
Indiana,  
Registrar

By: \_\_\_\_\_  
Authorized  
Officer

Registrable at:  
Summit Bank,  
Fort Wayne,  
Indiana

Payable by:  
Summit Bank,  
Fort Wayne,  
Indiana, and  
Manufacturers  
Hanover Trust  
Company,  
New York,  
New York

IN WITNESS WHEREOF,  
the City of Fort Wayne,  
in Allen County, State  
of Indiana, has caused  
this Refunding Bond to  
be executed in its cor-  
porate name by the man-  
ual or facsimile signa-  
ture of the Mayor of  
the City, countersigned  
by the manual or fac-  
simile signature of  
the City Controller,  
its corporate seal to  
be hereunto affixed  
manually, or imprinted  
or impressed thereon by  
facsimile or by any  
other means, and at-  
tested manually or by  
facsimile by its Clerk  
as of the \_\_\_\_\_ day of  
December, 1985.

CITY OF FORT WAYNE

By \_\_\_\_\_  
Mayor

Attest:

Countersigned:

\_\_\_\_\_  
Clerk

\_\_\_\_\_  
City Controller

[FORM OF REVERSE SIDE OF BOND INCOME GROWTH SECURITY]

Pursuant to the provisions of the Sewer Act and the Refunding Act and the Bond Ordinance, the principal and interest of this Refunding Bond and all other Refunding Bonds of said issue, and any bonds ranking on a parity therewith, are payable solely from the Sewage Works Sinking Fund heretofore created by Ordinance No. 1939, adopted July 26, 1938 (the "Sewage Works Sinking Fund") and continued by the ordinances authorizing the issuance of the aforementioned Outstanding Bonds to be provided from the net revenues (herein defined as the gross revenues after deduction only for the payment of the reasonable expenses of operation, repair and maintenance) derived from the sewage works of the City of Fort Wayne, and all additions and improvements thereto and replacements thereof subsequently constructed or acquired; subject, however, to the prior payment from the Sewage Works Sinking Fund of the principal and interest on the Outstanding Bonds, which Outstanding Bonds are of equal priority and are payable annually over a period ending on August 1, 2000. This Refunding Bond shall not constitute an indebtedness of the City of Fort Wayne within the meaning of the provisions and limitations of the constitution or statutes of the State of Indiana, and the City shall not be obligated to pay this Refunding Bond or the interest thereon except from said special fund provided from said net revenues.

Subject to the prior servicing of the Outstanding Bonds, the City of Fort Wayne irrevocably pledges the entire net revenues of said sewage works to the prompt payment of the principal of and interest on the Refunding Bonds authorized by the Bond Ordinance, of which this is one, and covenants that it will cause to be fixed, maintained and collected such rates and charges for service rendered by said works as are sufficient in each year for the payment of the proper and reasonable expenses of operation, repair and maintenance of said works, to provide for proper depreciation, and for the payment of the sums required to be paid into the Sewage Works Sinking Fund under the provisions of the Sewer Act and the Refunding Act and the Bond Ordinance. In the event the City or the proper officers thereof shall fail or refuse to so fix, maintain and collect such rates or charges, or if there be a default in the payment of the interest on or principal of this Refunding Bond, the Holder of this Refunding Bond shall have all of the rights and remedies provided for in the Sewer Act and the Refunding Act and the acts amendatory thereof and supplemental thereto, including the right to have a receiver appointed to administer the works and to charge and collect rates sufficient to provide for the payment of this Refunding Bond and the interest hereon.

The City of Fort Wayne further covenants that it will set aside and pay into its Sewage Works Sinking Fund a sufficient amount of the net revenues of said works to meet (a) the interest on all Refunding Bonds payable from the revenues of said sewage works, as such interest shall fall due; provided, however, that credit shall be given for interest payable on any Outstanding Bonds, so long as sufficient funds are available under the Escrow Agreement for the payment thereof, (b) the necessary fiscal agency charges for paying all Refunding Bonds and interest, (c) the principal of all Refunding Bonds payable from the revenues of said sewage works, as such principal shall fall due; provided, however, that credit shall be given for principal payable on any Outstanding Bonds, so long as sufficient funds are available under the Escrow Agreement for the payment thereof, and (d) an additional amount as a margin of safety, which margin, together with any unused surplus of such margin carried forward from the preceding year, shall equal not less than ten percent (10%) of all other amounts so required to be paid into the Sewage Works Sinking Fund together with other sums to be held as reserves as provided in the Bond



Ordinance. Such required payments shall constitute a charge upon all the net revenues of said works; subject, however, to the prior payment from the Sewage Works Sinking Fund of the principal and interest on the Outstanding Bonds.

If any Bond Income Growth Security shall not be presented for payment of principal or premium on the date fixed therefor, or in the event any check or draft for interest on any Bond Income Growth Security is uncashed, the City may deposit in trust with the Registrar an amount sufficient to pay the principal then due of that Bond Income Growth Security or such check or draft, as the case may be, and thereafter the Holder shall look only to the funds so deposited in trust with the Registrar for payment and the City shall have no further obligation or liability in respect thereto.

Subject to provisions for registration, this Refunding Bond and all other Refunding Bonds of said issue shall have all the qualities and incidents of negotiable instruments under the laws of the State of Indiana.

The Bond Income Growth Securities maturing on August 1, 2005, are subject to mandatory sinking fund redemption at a redemption price of 100% of the then applicable Compound Accreted Amount, plus interest from the Conversion Date to the redemption date, on February 1 and August 1 in each of the years 2001 to 2005, inclusive, in the following estimated aggregate Compound Accreted Amounts on the dates specified:

<u>Redemption Date</u>	<u>Estimated Compound Accreted Amounts</u>
February 1, 2001	[To be provided]
August 1, 2001	
February 1, 2002	
August 1, 2002	
February 1, 2003	
August 1, 2003	
February 1, 2004	
August 1, 2004	
February 1, 2005	
August 1, 2005*	

\*remaining at maturity

In the event that this Bond Income Growth Security or a portion hereof is called for redemption prior to maturity, the amount due upon such redemption (as hereinbefore indicated, the "Compound Accreted Amount"), as principal of and interest on this Bond Income Growth Security (or portion hereof), shall be, as of the date of issuance and any February 1 or August 1 thereafter, the amount set forth in the table below:

Compound Accreted Amount (per \$5,000 Conversion Amount)  
for Bond Income Growth Securities maturing on August 1, 2005:

<u>Date</u>	<u>Compound Accreted Amount</u>
[To be provided]	

The Compound Accreted Amount for any Bond Income Growth Security (per \$5,000 Conversion Amount of such Bond Income Growth Security) with respect to any date other than a date stated in the above table, and prior to the stated maturity of such Bond Income Growth Security, shall be determined conclusively by the Registrar or a certified public accountant selected by the Registrar, by interpolating such Compound Accreted Amount, using the straight line method, by reference to the Compound Accreted Amounts for the dates listed on such table which are immediately prior to and immediately subsequent to such date, and the number of calendar days elapsed since the date listed which is immediately prior to such date. All references to "interest" on any Refunding Bond in the Bond Ordinance shall, with respect to the Bond Income Growth Securities, unless the context clearly indicates otherwise, refer to the excess of the Compound Accreted Amount over the original principal amount of such Bond Income Growth Security, as of any relevant date.

If less than all of the outstanding Bond Income Growth Securities are called for redemption at one time, the selection of Bond Income Growth Securities or portions thereof in Conversion Amounts of \$5,000 or any integral multiple thereof to be redeemed shall be made by lot by the Registrar in any manner selected by it. If Refunding Bonds or portions thereof in are called for redemption and if on the redemption date moneys for the redemption thereof, together with interest thereon accrued to that date, are held by the Registrar and available therefor, then from and after that date the Refunding Bonds or portions thereof called for redemption shall cease to bear interest, and shall cease to be secured by, and shall not be deemed to be outstanding under, the Bond Ordinance authorizing the Refunding Bonds.

The Bond Income Growth Securities are issuable only as fully registered bonds in the principal amounts which correspond to Conversion Amounts of \$5,000 or any integral multiple thereof (an "Authorized Denomination"). The Bond Income Growth Securities are exchangeable for Bond Income Growth Securities of other Authorized Denominations in equal aggregate principal amounts at the office of the Registrar but only in the manner and subject to the limitations provided in the Bond Ordinance. This Refunding Bond is transferable at the office of the Registrar, by the Holder in person or by his attorney duly authorized in writing, upon presentation and surrender hereof to the Registrar. The Registrar is not required to transfer or exchange (i) any Refunding Bond during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Refunding Bonds and ending at the close of business on the day of such mailing or (ii) any Refunding Bonds so selected for redemption in whole or in part.

[LEGAL OPINION]

[FORM OF ASSIGNMENT]

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers unto \_\_\_\_\_

\_\_\_\_\_ the within Refunding Bond and irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer that Refunding Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:  
\_\_\_\_\_



Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Refunding Bond in every particular, without alteration or any change whatever.

The social security number, taxpayer identification number, or other identifying number of the assignee is to be inserted in the box.

[FORM OF CAPITAL APPRECIATION BOND]

[FORM OF FACE OF CAPITAL APPRECIATION BOND]

UNITED STATES OF AMERICA

State of Indiana

County of Allen

REGISTERED

\$

No. \_\_\_\_\_

Maturity Amount

CITY OF FORT WAYNE  
SEWAGE WORKS REFUNDING BOND

Maturity Date: \_\_\_\_\_

Dated as of: \_\_\_\_\_

CUSIP: \_\_\_\_\_

Registered Owner: \_\_\_\_\_ Per \$5,000 Maturity Amount: \_\_\_\_\_ Principal Amount  
DOLLARS

The City of Fort Wayne (the "City"), in Allen County, State of Indiana, for value received, hereby promises to pay to the aforesaid Registered Owner, or registered assigns, solely out of the special revenue fund hereinafter referred to, the aforesaid Maturity Amount on the aforesaid Maturity Date. This Refunding Bond is issued as a Capital Appreciation Bond (as defined in the Bond Ordinance, hereinafter defined, and herein called a "Capital Appreciation Bond"). The provisions respecting redemption of Capital Appreciation Bonds hereinafter set forth apply only to the Capital Appreciation Bonds. Any person in whose name this Capital Appreciation Bond is registered (the "Holder") should not sell or otherwise dispose of this Capital Appreciation Bond without taking appropriate steps to determine the Compound Accreted Amount (as reflected in the Schedule of Compound Accreted Amounts set forth herein and herein called the "Compound Accreted Amount") of this Capital Appreciation Bond.

The principal of and any premium on and interest on this Refunding Bond are payable upon presentation and surrender hereof at the principal office of the Paying Agents, presently Summit Bank, Fort Wayne, Indiana and Manufacturers Hanover Trust Company, New York, New York (the "Paying Agents"). The principal of and interest on and premium, if any, on this Refunding Bond are payable in lawful money of the United States of America, without deduction for the services of the Paying Agents.

This Refunding Bond is one of an authorized issue of Sewer Works Refunding Bonds (the "Refunding Bonds") of the City of Fort Wayne, of like date, tenor and effect, except as to numbering, interest rates, and dates of maturity, in the total original principal amount of Seventeen Million Three Hundred Forty-Five Thousand Seven Hundred Sixty-Three Dollars (\$17,345,763), issued for the purpose of providing funds to be applied to the refunding of the City's Sewage Works Improvement Revenue Bonds, dated November 1, 1959, now outstanding in the amount of Six Hundred Forty Thousand Dollars (\$640,000), the City's Sewage Works Improvement Revenue Bonds of 1961, dated August 1, 1961, now outstanding in the amount of Nine Hundred Thirty Thousand Dollars (\$930,000), the City's Sewage Works Improvement Revenue Bonds of 1970, dated April 1, 1970, now outstanding in the amount of One Million Eight Hundred Thirty Thousand Dollars (\$1,830,000), the City's Sewage Works Improvement Revenue Bonds of 1975, dated January 1, 1975, now outstanding in the amount of Five Million Two Hundred Eighty-Five Thousand Dollars (\$5,285,000), the City's Sewage Works Revenue Bonds of 1982, dated July 1, 1982, now outstanding in the amount of Three Million Four Hundred Thousand Dollars (\$3,400,000), and the City's Sewer Connection Revenue Bonds of 1982, dated July 1, 1982, now outstanding in the amount of



Three Million Nine Hundred Forty Thousand Dollars (\$3,940,000) (collectively, the "Outstanding Bonds"), including the cost of issuance, as authorized by an ordinance (the "Bond Ordinance") adopted by the Common Council of the City of Fort Wayne on the \_\_\_\_\_ day of \_\_\_\_\_, 1985, entitled "An Ordinance concerning the issuance of junior revenue refunding bonds of the City of Fort Wayne, Indiana in the estimated principal amount of \$4,440,000 with respect to current interest bonds and an estimated original principal amount of \$3,630,521 with respect bond income growth securities and \$9,275,242 with respect to capital appreciation bonds, together aggregating an original principal amount now estimated to be \$17,345,763, to provide for the refunding of revenue bonds which were issued to provide for the cost of the construction of additions and improvements to the sewage works of the City of Fort Wayne, the collection, segregation and distribution of the revenues of said works, the safeguarding of the interests of the holders of said junior revenue refunding bonds, and other matters connected therewith and for repealing ordinances inconsistent therewith" and in strict compliance with the provisions of I.C. 36-9-23 (the "Sewer Act") and I.C. 5-1-5 (the "Refunding Act").

This Refunding Bond shall not be entitled to any benefit under the Bond Ordinance or become valid or obligatory for any purpose until the certificate of authentication hereon shall have been signed by Summit Bank, as the Registrar (the "Registrar").

REFERENCE IS MADE TO THE FURTHER PROVISIONS OF THIS REFUNDING BOND SET FORTH ON THE REVERSE SIDE. THOSE PROVISIONS SHALL HAVE THE SAME EFFECT FOR ALL PURPOSES AS IF SET FORTH HERE.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the execution, issuance and delivery of this Refunding Bond have been done and performed in regular and due form as provided by law.

Date of  
Registra-  
tion and  
Authenti-  
cation:  
\_\_\_\_\_ This Refunding Bond  
is one of the Re-  
funding Bonds de-  
scribed in the  
within-mentioned  
Bond Ordinance.

SUMMIT BANK,  
Fort Wayne,  
Indiana,  
Registrar

By: \_\_\_\_\_  
Authorized  
Officer

Registrable at:  
Summit Bank,  
Fort Wayne,  
Indiana

Payable by:  
Summit Bank,  
Fort Wayne,  
Indiana, and  
Manufacturers  
Hanover Trust  
Company,  
New York,  
New York

IN WITNESS WHEREOF,  
the City of Fort Wayne,  
in Allen County, State  
of Indiana, has caused  
this Refunding Bond to  
be executed in its cor-  
porate name by the man-  
ual or facsimile signa-  
ture of the Mayor of  
the City, countersigned  
by the manual or fac-  
simile signature of  
the City Controller,  
its corporate seal to  
be hereunto affixed  
manually, or imprinted  
or impressed thereon by  
facsimile or by any  
other means, and at-  
tested manually or by  
facsimile by its Clerk  
as of the \_\_\_\_\_ day of  
December, 1985.

CITY OF FORT WAYNE

By \_\_\_\_\_  
Mayor

Attest:

Countersigned:

\_\_\_\_\_  
Clerk

\_\_\_\_\_  
City Controller

[FORM OF REVERSE SIDE OF CAPITAL APPRECIATION BOND]

Pursuant to the provisions of the Sewer Act and the Refunding Act and the Bond Ordinance, the principal and interest of this Refunding Bond and all other Refunding Bonds of said issue, and any bonds ranking on a parity therewith, are payable solely from the Sewage Works Sinking Fund heretofore created by Ordinance No. 1939, adopted July 26, 1938 (the "Sewage Works Sinking Fund") and continued by the ordinances authorizing the issuance of the aforementioned Outstanding Bonds to be provided from the net revenues (herein defined as the gross revenues after deduction only for the payment of the reasonable expenses of operation, repair and maintenance) derived from the sewage works of the City of Fort Wayne, and all additions and improvements thereto and replacements thereof subsequently constructed or acquired; subject, however, to the prior payment from the Sewage Works Sinking Fund of the principal and interest on the Outstanding Bonds, which Outstanding Bonds are of equal priority and are payable annually over a period ending on August 1, 2000. This Refunding Bond shall not constitute an indebtedness of the City of Fort Wayne within the meaning of the provisions and limitations of the constitution or statutes of the State of Indiana, and the City shall not be obligated to pay this Refunding Bond or the interest thereon except from said special fund provided from said net revenues.

Subject to the prior servicing of the Outstanding Bonds, the City of Fort Wayne irrevocably pledges the entire net revenues of said sewage works to the prompt payment of the principal of and interest on the Refunding Bonds authorized by the Bond Ordinance, of which this is one, and covenants that it will cause to be fixed, maintained and collected such rates and charges for service rendered by said works as are sufficient in each year for the payment of the proper and reasonable expenses of operation, repair and maintenance of said works, to provide for proper depreciation, and for the payment of the sums required to be paid into the Sewage Works Sinking Fund under the provisions of the Sewer Act and the Refunding Act and the Bond Ordinance. In the event the City or the proper officers thereof shall fail or refuse to so fix, maintain and collect such rates or charges, or if there be a default in the payment of the interest on or principal of this Refunding Bond, the Holder of this Refunding Bond shall have all of the rights and remedies provided for in the Sewer Act and the Refunding Act and the acts amendatory thereof and supplemental thereto, including the right to have a receiver appointed to administer the works and to charge and collect rates sufficient to provide for the payment of this Refunding Bond and the interest hereon.

The City of Fort Wayne further covenants that it will set aside and pay into its Sewage Works Sinking Fund a sufficient amount of the net revenues of said works to meet (a) the interest on all Refunding Bonds payable from the revenues of said sewage works, as such interest shall fall due; provided, however, that credit shall be given for interest payable on any Outstanding Bonds, so long as sufficient funds are available under the Escrow Agreement for the payment thereof, (b) the necessary fiscal agency charges for paying all Refunding Bonds and interest, (c) the principal of all Refunding Bonds payable from the revenues of said sewage works, as such principal shall fall due; provided, however, that credit shall be given for interest payable on any Outstanding Bonds, so long as sufficient funds are available under the Escrow Agreement for the payment thereof, and (d) an additional amount as a margin of safety, which margin, together with any unused surplus of such margin carried forward from the preceding year, shall equal not less than ten percent (10%) of all other amounts so required to be paid into the Sewage Works Sinking Fund together with other sums to be held as reserves as provided in the Bond



Ordinance. Such required payments shall constitute a first charge upon all the net revenues of said works; subject, however, to the prior payment from the Sewage Works Sinking Fund of the principal and interest on the Outstanding Bonds.

If any Capital Appreciation Bond shall not be presented for payment of principal or premium or interest on the date fixed therefor, the City may deposit in trust with the Registrar an amount sufficient to pay the principal or premium or interest then due of that Capital Appreciation Bond and thereafter the Holder shall look only to the funds so deposited in trust with the Registrar for payment and the City shall have no further obligation or liability in respect thereto.

Subject to provisions for registration, this Refunding Bond and all other Refunding Bonds of said issue shall have all the qualities and incidents of negotiable instruments under the laws of the State of Indiana.

Compound Accreted Amount (per \$5,000 Maturity Amount)  
for Capital Appreciation Bonds maturing on August 1, \_\_\_\_:

<u>Date</u>	<u>Compound Accreted Amount</u>
-------------	-------------------------------------

The Compound Accreted Amount for any Capital Appreciation Bond (per \$5,000 Maturity Amount of such Capital Appreciation Bond) with respect to any date other than a date stated in the above table, and prior to the stated maturity of such Capital Appreciation Bond, shall be determined conclusively by the Registrar or a certified public accountant selected by the Registrar, by interpolating such Compound Accreted Amount, using the straight line method, by reference to the Compound Accreted Amounts for the dates listed on such table which are immediately prior to and immediately subsequent to such date, and the number of calendar days elapsed since the date listed which is immediately prior to such date. All references to "interest" on any Refunding Bond in the Bond Ordinance shall, with respect to the Capital Appreciation Bonds, unless the context clearly indicates otherwise, refer to the excess of the Compound Accreted Amount over the original principal amount of such Capital Appreciation Bond, as of any relevant date.

The Capital Appreciation Bonds are issuable only as fully registered bonds in the principal amounts which correspond to Maturity Amounts of \$5,000 or any integral multiple thereof (an "Authorized Denomination"). The Capital Appreciation Bonds are exchangeable for Capital Appreciation Bonds of other Authorized Denominations in equal aggregate principal amounts at the office of the Registrar but only in the manner and subject to the limitations provided in the Bond Ordinance. This Refunding Bond is transferable at the office of the Registrar, by the Holder in person or by his attorney duly authorized in writing, upon presentation and surrender hereof to the Registrar.

[LEGAL OPINION]

[FORM OF ASSIGNMENT]

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers unto \_\_\_\_\_

the within Refunding Bond and irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer that Refunding Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Refunding Bond in every particular, without alteration or any change whatever.

The social security number, taxpayer identification number, or other identifying number of the assignee is to be inserted in the box.

Section 8. So long as any of the Refunding Bonds remain outstanding, the City will cause books for the registration and transfer of Refunding Bonds, as provided herein, to be maintained and kept at the designated office of the Registrar. Refunding Bonds may be exchanged, at the option of their Holder, for Refunding Bonds of any Authorized Denomination or Denominations in an aggregate principal amount equal to the unmatured and unredeemed principal amount of, and bearing interest at the same rate and maturing on the same date or dates as, the Refunding Bonds being exchanged. The exchange shall be made upon presentation and surrender of the Refunding Bonds being exchanged at the designated office of the Registrar, together with an assignment duly executed by the Holder or its duly authorized attorney in any form which shall be satisfactory to the Registrar.

Any Refunding Bond may be transferred upon the Register, upon presentation and surrender thereof at the designated office of the Registrar, together with an assignment duly executed by the Holder or its duly authorized attorney in any form which shall be satisfactory to the Registrar. Upon transfer of any Refunding Bond and on request of the Registrar, the City shall execute in the name of the transferee, and the Registrar shall authenticate and deliver, a new Refunding Bond or Refunding Bonds in the name of the transferee, of any Authorized Denomination or Denominations in an aggregate principal amount equal to the unmatured and unredeemed principal amount of, and bearing interest at the same rate and maturing on the same date or dates as, the Refunding Bonds presented and surrendered for transfer.

In all cases in which Refunding Bonds shall be exchanged or transferred hereunder, the City shall execute, and the Registrar shall authenticate and deliver, Refunding Bonds in accordance with the provisions hereof. The exchange or transfer shall be made without charge to the Holder; provided that the City and the Registrar may make a charge for every exchange or transfer of Refunding Bonds which is sufficient in amount to reimburse them for any tax or excise required to be paid with respect to the exchange or transfer. Those charges shall be paid before a new Refunding Bond is delivered.

All Refunding Bonds issued upon any transfer or exchange of Refunding Bonds shall be the valid special obligations of the City, evidencing the same debt, and entitled to the same benefits hereunder, as the Refunding Bonds surrendered upon transfer or exchange. Neither the City nor the Registrar shall be required to make any exchange or transfer of a Refunding Bond during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Refunding Bonds and ending at the close of business on the day of the mailing or to transfer or exchange any Refunding Bonds selected for redemption, in whole or in part.



In case any Refunding Bond is redeemed in part only, on or after the redemption date and upon presentation and surrender of the Refunding Bond, the City shall cause execution of, and the Registrar shall authenticate and deliver, a new Refunding Bond or Refunding Bonds in Authorized Denominations in an aggregate principal amount equal to the unmatured and unredeemed portion of, and bearing interest at the same rate and maturing on the same date or dates as, the Refunding Bond redeemed in part.

If any Refunding Bond is mutilated, lost, wrongfully taken or destroyed, in the absence of written notice to the City or the Registrar that a lost, wrongfully taken or destroyed Refunding Bond has been acquired by a bona fide purchaser, the City shall execute, and the Registrar shall authenticate and deliver, a new Refunding Bond of like date, maturity and denomination as the Refunding Bond mutilated, lost, wrongfully taken or destroyed; provided that (i) in the case of any mutilated Refunding Bond, the mutilated Refunding Bond first shall be surrendered to the Registrar and (ii) in the case of any lost, wrongfully taken or destroyed Refunding Bond, there first shall be furnished to the City and the Registrar evidence of the loss, wrongful taking or destruction satisfactory to the City and the Registrar, together with indemnity satisfactory to them.

If any lost, wrongfully taken or destroyed Refunding Bond shall have matured, instead of issuing a new Refunding Bond, the City may direct the Registrar to pay that Refunding Bond without surrender thereof upon the furnishing of satisfactory evidence and indemnity as in the case of issuance of a new Refunding Bond. The City and the Registrar may charge the Holder of a mutilated, lost, wrongfully taken or destroyed Refunding Bond their reasonable fees and expenses in connection with their actions pursuant to this Section.

Every new Refunding Bond issued pursuant to this Section by reason of any Refunding Bond being mutilated, lost, wrongfully taken or destroyed (i) shall constitute, to the extent of the outstanding principal amount of the Refunding Bond lost, mutilated, wrongfully taken or destroyed, an additional contractual obligation of the City, regardless of whether the mutilated, lost, wrongfully taken or destroyed Refunding Bond shall be enforceable at any time by anyone and (ii) shall be entitled to all of the benefits of this Bond Ordinance equally and proportionately with any and all other Refunding Bonds issued and outstanding hereunder; provided that nothing in this paragraph shall limit the authority and right of the City to exercise its rights under the indemnity furnished at the time of issuance of a new Refunding Bond or payment of a Refunding Bond without surrender.

All Refunding Bonds shall be held and owned on the express condition that the foregoing provisions of this Section are exclusive with respect to the replacement or payment of mutilated, lost, wrongfully taken or destroyed Refunding Bonds and, to the extent permitted by law, shall preclude any and all other rights and remedies with respect to the replacement or payment of negotiable instruments or other investment securities without their surrender, notwithstanding any law or statute to the contrary now existing or enacted hereafter.

Any Refunding Bond surrendered pursuant to this Section for the purpose of payment or retirement, or for exchange, replacement or transfer, shall be cancelled upon presentation and surrender thereof to the Registrar or any Paying Agent. Any Refunding Bond cancelled by a Paying Agent shall be transmitted promptly to the Registrar by the Paying Agent.

The City may deliver at any time to the Registrar for cancellation any Refunding Bonds previously authenticated and delivered hereunder, which the City may have acquired in any manner whatsoever. All Refunding Bonds so delivered shall be cancelled promptly by the Registrar. Certification of the surrender and cancellation shall be made to the City by the Registrar at least twice each calendar year.

Unless otherwise directed by the City, cancelled Refunding Bonds shall be promptly destroyed by the Registrar by shredding or incineration after their cancellation. Evidence of any destruction of cancelled Refunding Bonds shall be provided by the Registrar to the City upon written request.



In the event any Refunding Bond shall not be presented for payment when the principal of or premium or interest (with respect to Capital Appreciation Bonds) thereon becomes due in whole or in part, either at stated maturity, at the date fixed for redemption thereof or otherwise, or in the event any check or draft for interest (with respect to any Current Interest Bond) on any Refunding Bond is uncashed, if moneys sufficient to pay the principal, premium or interest then due of that Refunding Bond or such check or draft shall have been made available to the Registrar for the benefit of its Holder, then all liability of the City to that Holder for payment of the principal, premium or interest then due of the Refunding Bond or of the interest represented by such check or draft shall cease and be completely discharged. Thereupon, it shall be the duty of the Registrar to hold those moneys, without liability for interest thereon, in a separate account for the exclusive benefit of the Holder of that Refunding Bond, who shall thereafter be restricted exclusively to those moneys for any claim of whatever nature on its part under this Bond Ordinance on, or with respect to, the principal, premium or interest then due of that Refunding Bond or the interest represented by such check or draft.

Any of those moneys which shall be so held by the Registrar, and which remain unclaimed by the Holder of the Refunding Bond not presented for payment or a check or draft not cashed for a period of four years after that due date thereof, shall upon request in writing by the City be paid to the City free of any trust or lien. Thereafter, the Holder of that Refunding Bond shall look only to the City for payment and then only to the amounts so received by the City without any interest thereon, and the Registrar shall have no responsibility with respect to those moneys.

Section 9. The City Controller is hereby authorized and directed to have the Refunding Bonds prepared, and the Mayor, Clerk and City Controller are hereby authorized and directed to execute the Refunding Bonds, in the form and manner herein provided. The City Controller or the Clerk is hereby authorized and directed to deliver the Refunding Bonds to the purchaser thereof after sale made in accordance with the provisions of this Bond Ordinance, provided that at the time of said delivery the City Controller or the Clerk shall collect the full amount which the purchaser has agreed to pay therefor, which shall not be less than ninety-four percent (94%) of the original principal amount of the Refunding Bonds, plus accrued interest from the date thereof to the date of delivery (the "Purchase Price"). The Refunding Bonds herein authorized, when fully paid for and delivered to the purchaser, shall be the binding special revenue obligations of the City, payable out of the net revenues of the City's sewage works to be set aside into the Sewage Works Sinking Fund as herein provided, and the proceeds derived from the sale of the Refunding Bonds shall be and are hereby set aside for the refunding of the Outstanding Bonds and the payment of expenses necessarily incurred in connection therewith. The proper officers of the City are hereby directed to draw all proper and necessary warrants, and to do whatever acts and things which may be necessary to carry out the provisions of this Ordinance.

Section 10. The Refunding Bonds are hereby sold and awarded to Cranston Securities Company (the "Original Purchaser") for purchase at the Purchase Price in accordance with the terms of this Bond Ordinance.

The Mayor and the City Controller, and either of them, are directed to make the necessary arrangements on behalf of the City to establish the date, location, procedure and conditions for the delivery of the Refunding Bonds to the Original Purchaser to the extent not provided for herein. Said officers are further directed to take all steps necessary to effect due authentication, delivery and perfection of the security of the Refunding Bonds under the terms hereof. It is hereby determined that the Purchase Price and the manner of sale and the terms of the Refunding Bonds, as provided in this Bond Ordinance, are consistent with all legal requirements and will carry out the public purposes specified in the Sewer Act and the Refunding Act.

The Outstanding Bonds shall be retired on their stated maturity dates from payments received from cash and/or direct obligations of the United States (collectively, the "Securities") on deposit in the Escrow Fund held by Summit Bank (the "Escrow Trustee") and in accordance with the Escrow Agreement (the "Escrow Agreement"), dated as of November 1, 1985, between the City and the Escrow Trustee. The Escrow Trustee is authorized and directed on behalf of the City to subscribe for such Securities to the extent such Securities are to be those United States Treasury Obligations, State and Local Government



Series provided for in 31 C.F.R. Part 344. The Securities are to be certified by an independent public accounting firm of national reputation to be of such maturities and interest payment dates and to bear such interest as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom, be sufficient to (i) pay the interest on the Outstanding Bonds which is due and payable on each February 1 and August 1 through and including the final maturity date of the Outstanding Bonds and (ii) to pay on the respective maturity dates of the Outstanding Bonds the respective amounts of principal then due. There is hereby created and established with the Escrow Trustee and ordered maintained in a separate deposit account (except when invested as provided in the Escrow Agreement), the trust fund to be designated "The City of Fort Wayne, Indiana - Sewage Revenue Bond Escrow Fund", which shall hereinafter be referred to as the "Escrow Fund" and which shall be in the custody of the Escrow Trustee and the Securities and any other moneys in the Escrow Fund shall be held in trust for and shall be used solely for the payment of the principal of and premium and interest on the Outstanding Bonds as provided in the Escrow Agreement.

Section 11. The accrued interest and premium received at the time of the delivery of the Refunding Bonds, if any, shall be deposited in the Sewage Works Sinking Fund (the "Sewage Works Sinking Fund") heretofore created by Ordinance No. 1939, adopted July 26, 1938 and continued by the ordinances authorizing the issuance of the Outstanding Bonds. The estimated amount of \$2,250,000, which is presently held in the Sewage Works Sinking Fund described in Section 12 hereof as a debt service reserve for the outstanding Bonds shall be released and shall be deposited, pursuant to the advice of the City's financial advisor that such funding is a necessary expense of refunding the Outstanding Bonds under the Sewer Act and the Refunding Act, in a separate account in the Sewage Works Sinking Fund, which sum will be held as a debt service reserve therein and credited to the City's obligation thereunder to accumulate net revenues therein as a margin of safety. Said financial advisor has also advised the City that reserve is reasonably required in order to enhance the marketability of the Refunding Bonds and that, without this reserve, the Refunding Bonds would be unmarketable or the interest rate demanded by investors would affect the economic feasibility of the refunding. Bond proceeds in an amount equal to that required to purchase the Securities in the amount required by the provisions of Section 10 of this Bond Ordinance, which amount shall be used to refund the Outstanding Bonds, shall be deposited in the Escrow Fund maintained by the Escrow Trustee. The remaining proceeds from the sale of the Refunding Bonds shall be deposited in a bank or banks which are legally designated depositories for the funds of the City, in a special account or accounts to be designated as "City of Fort Wayne, Sewage Works Refunding Expense Account" (the "Sewage Works Refunding Expense Account"). All funds deposited to the credit of said Sewage Works Sinking Fund or Sewage Works Refunding Expense Account shall be deposited, held, secured or invested in accordance with the laws of the State of Indiana relating to the depositing, holding, securing or investing of public funds, including particularly I.C. 5-13-1, and the acts amendatory thereof and supplemental thereto. The depository or depositories for said Sewage Works Sinking Fund and Sewage Works Refunding Expense Account shall be a bank which shall be a member of the Federal Reserve System and of the Federal Deposit Insurance Corporation, or like organizations having similar powers and duties. The funds in said special account or accounts shall be expended only for the purpose of refunding the Outstanding Bonds or for the expenses of issuance of the Refunding Bonds. The cost of obtaining the opinion the Squire, Sanders & Dempsey shall be considered as a part of the cost of the issuance of the Refunding Bonds, and shall be paid out of the proceeds of the Refunding Bonds or out of the revenues of the sewage works.

The Common Council authorizes the insurance of the Refunding Bonds with a municipal bond insurance company if the City Controller, acting on the advice of the City's financial consultant, finds such insurance advisable and a necessary expense of refunding the Outstanding Bonds. The cost of obtaining said insurance shall be considered as a part of the cost of the issuance of the Refunding Bonds, and shall be paid out of the proceeds of the Refunding Bonds or out of other funds of the sewage works.

The City covenants that it will not invest the proceeds of the Refunding Bonds, or any moneys treated as proceeds by the Internal Revenue Service, in any manner, make any investment of moneys in the Sewage Works Sinking Fund in any manner, or take or fail to take any other action, which would result in the Refunding Bonds constituting "arbitrage bonds" within the



meaning of Section 103(c) of the Internal Revenue Code of 1954, as amended, or the Treasury Regulations or any Revenue Rulings promulgated thereunder, or as determined by any court of competent jurisdiction. The City Controller of the City or any other officer having responsibility for issuing the Refunding Bonds is authorized and directed, alone or in conjunction with any of the foregoing or with any other officer, employee or consultant of the City, to give an appropriate certificate of the City, for inclusion in the transcript of proceedings, setting forth the reasonable expectations of the City regarding the amount and use of all such proceeds and the facts and estimates on which they are based, all as the date of delivery of and payment for the Refunding Bonds. The City Clerk of the City shall furnish to the Original Purchaser a true transcript, certified by the City Clerk of the City, of all proceedings had with reference to the issuance of the Refunding Bonds along with such other information from the records of the City as is necessary to determine the regularity and validity of the issuance of the Refunding Bonds.

Any balance or balances remaining unexpended in the Sewage Works Refunding Expense Account after the payment of all issuance expenses for the Refunding Bonds, which are not required to meet unpaid obligations incurred in connection with such issuance, shall be paid into the Sewage Works Sinking Fund and shall be used solely for the purposes of said fund.

Section 12. The special fund designated "Sewage Works Sinking Fund" created by Ordinance No. 1939, adopted on July 26, 1938, and continued for the payment of the Outstanding Bonds, is hereby designated as the special fund for the payment of the interest on and principal of the Refunding Bonds authorized by this Bond Ordinance and the payment of any fiscal agency charges in connection with the payment of the Refunding Bonds and interest thereon. The Sewage Works Sinking Fund shall be continued until all of the bonds issued under said prior ordinances and this Bond Ordinance have been paid. There shall be set aside and paid into the Sewage Works Sinking Fund monthly, as available, or more often if necessary, a sufficient amount of the net revenues of said sewage works for the payment of (a) the interest on all bonds which by their terms are payable from the revenues of the sewage works, as such interest shall fall due; provided, however, that credit shall be given for interest payable on any Outstanding Bonds, so long as sufficient funds are available under the Escrow Agreement for the payment thereof, (b) the necessary fiscal agency charges for paying said bonds and interest, (c) the principal of all bonds which by their terms are payable from the revenues of the sewage works as they fall due; provided, however, that credit shall be given for interest payable on any Outstanding Bonds, so long as sufficient funds are available under the Escrow Agreement for the payment thereof, and (d) an additional amount as a margin of safety, which margin, together with any unused surplus of such margin carried forward from the preceding year, shall equal not less than ten percent (10%) of all other amounts so required to be paid into the Sewage Works Sinking Fund. The term "net revenues" as used in this section shall be construed to mean the revenues after deduction only for the reasonable cost of operation, maintenance and repair. The monthly payments into the Sewage Works Sinking Fund shall be in an amount equal to at least one-twelfth (1/12) of the amount required for such payments during the then next succeeding twelve (12) calendar months and shall continue until such time as the Sewage Works Sinking Fund shall contain an amount sufficient to pay all of the bonds then outstanding, together with the interest thereon to the dates of maturity thereof. In addition to said required monthly payments into the Sewage Works Sinking Fund, all of the net revenues of said sewage works not used in making said required sinking fund payments shall be set aside and paid into the Sewage Works Sinking Fund monthly, as available, until there has been accumulated in the Sewage Works Sinking Fund, over and above said required payments but including the funded reserves and investment income thereon, an amount equal to the sum of the principal of and interest on all then outstanding bonds which will be payable during the then next succeeding twelve (12) calendar months. The Sewage Works Sinking Fund shall be maintained at such levels, and additional amounts of net revenues shall be deposited in the Sewage Works Sinking Fund to the extent necessary to maintain such levels.

In no event shall any part of the Sewage Works Sinking Fund be used in purchasing bonds, except to the extent that the amount then in the Sewage Works Sinking Fund exceeds the amount required to pay the principal of the bonds payable therefrom which will mature within a period of twelve (12) calendar months next following the date of such purchase, together with all interest on the bonds payable. Any such excess of funds above said required



levels may be used in purchasing outstanding bonds at a price less than the applicable price at maturity, if first approved by the Board of Public Works and Safety. Moneys in the Sewage Works Sinking Fund shall not be used for any other purpose whatsoever except as provided in this Bond Ordinance.

If the City shall, for any reason, fail to pay into the Sewage Works Sinking Fund the full amount and at the respective times above stipulated, then an amount equivalent to such deficiency shall be set apart and paid into the Sewage Works Sinking Fund from the first available revenues and the same shall be in addition to the minimum amounts otherwise herein provided to be so set apart and paid.

Withdrawals shall be made from the Sewage Works Sinking Fund and remitted to the places of payment of the interest and principal to meet such payments when due.

The Sewage Works Sinking Fund, as aforesaid, shall be used solely and only and is hereby pledged for the purpose of paying principal of and interest on the bonds which by their terms are payable from said funds. Upon the delivery of said bonds and the receipt of the proceeds, all sums received as accrued interest and premium, if any, shall be placed in the Sewage Works Sinking Fund.

Section 13. In the event that all required payments into the Sewage Works Sinking Fund have been met to date and there has been accumulated as a reserve in said Sewage Works Sinking Fund, including the bond proceeds deposited, over and above said payments, an amount equal to the respective sums required by Section 12, and there has been accumulated as a reserve funds in an amount sufficient for operation, repair and maintenance of the work for the then next succeeding twelve (12) calendar months, and for depreciation, then any excess revenues of the works available may be placed in the Sewage Works Improvement Fund (the "Sewage Works Improvement Fund"). Moneys in the Sewage Works Improvement Fund may be used to pay the costs of improvements, betterments, extensions, enlargements and additions to the works. No revenues of the works shall be deposited in or credited to the Sewage Works Improvement Fund which will interfere with the requirements of the Sewage Works Sinking Fund, the accumulation of the required reserve therein, or with the requirements as to reserving funds for the operation, maintenance and repair of the works and for depreciation. All or any portion of the funds accumulated and reserved for operation, repair and maintenance for the then next succeeding twelve (12) calendar months shall be transferred to the Sewage Works Sinking Fund if necessary to prevent a default in the payment of principal of or interest on the bonds payable from the Sewage Works Sinking Fund.

Section 14. All revenues received on account of the sewage works shall be segregated and kept in a special fund separate and apart from all other funds of the City. Out of this fund the proper and reasonable expenses of operation, repair and maintenance of the works shall be paid and the requirements of the Sewage Works Sinking Fund shall be met. The City shall keep proper books of records and accounts, separate from all of its other records and accounts, in which complete and correct entries shall be made and showing all revenues collected from said works and deposited in said fund, and all disbursements made therefrom on account of the operation of the works, and to meet the requirements of the Sewage Works Sinking Fund, also all other financial transactions relating to said works, including the amounts set aside or credited to the Sewage Works Sinking Fund and Sewage Works Improvement Fund, and the cash balance in each of said funds as of the close of the preceding fiscal year. There shall be prepared and furnished, upon written request, to the Original Purchaser of the Refunding Bonds, and to any Holder of the Refunding Bonds at the time then outstanding, not more than ninety (90) days after the close of each fiscal year, income and expense and balance sheet statements of the works, covering the preceding fiscal year, which annual statements shall be certified by the City Controller, or the person charged with the duty of auditing the books and records relating to said works, or by licensed independent public accountants employed for that purpose. Copies of all such statements and reports shall be kept on file in the office of the City Controller. Any Holder or Holders of the Refunding Bonds then outstanding shall have the right at all reasonable times to inspect the works and all records, accounts and data of the City relating thereto. Such inspections may be made by representatives duly authorized by written instrument.

Section 15. The City covenants and agrees that it will establish and maintain just and equitable rates or charges for the use of and the service rendered by said works, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses said sewage works by or through any part of the sewerage system of the City, or that in any way uses or is served by such works; that such rates or charges shall be sufficient in each year for the payment of the proper and reasonable expenses of operation, repair and maintenance of the works, and for the payment of the sums required to be paid into the Sewage Works Sinking Fund by the Sewer Act, the Refunding Act and this Bond Ordinance. Such rates or charges shall, if necessary, be changed and readjusted from time to time so that the revenues therefrom shall always be sufficient to meet the expenses of operation, repair and maintenance, depreciation and the requirements of the Sewage Works Sinking Fund. The rates or charges so established shall apply to any and all use of such works by and service rendered to the City and all departments thereof, and shall be paid semi-annually by the City or the various departments thereof as the charges accrue.

Section 16. If, prior to the maturity of the Refunding Bonds issued hereunder, (i) sufficient moneys, or (ii) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, the principal of and the interest on which when due will provide sufficient moneys, or (iii) time certificates of deposit fully secured as to both principal and interest by obligations of the kind described in (ii) above of a bank or banks the principal of and interest on which when due will provide sufficient moneys, shall be held in trust for such purpose, to pay the whole amount of the principal and the interest due and payable at maturity upon all of the Refunding Bonds then outstanding; then and in that case the Refunding Bonds issued hereunder shall no longer be deemed outstanding or entitled to the pledge of the net revenues of the City's sewage works.

Section 17. The City covenants that it will not issue any more bonds on a parity with the Outstanding Bonds. The City reserves the right, however, to authorize and issue additional bonds, payable out of the revenues of its sewage works, ranking on a parity with the Refunding Bonds authorized by this Bond Ordinance, for the purpose of financing the cost of future additions, extensions and improvements to the sewage works, subject to the following conditions:

(a) The interest on and principal of all bonds payable from the revenues of the sewage works shall have been paid to date in accordance with the terms thereof.

(b) As of the date of issuance of such additional bonds, there shall have been accumulated and set aside funds in an amount sufficient for operation, repair and maintenance of the works for the then next succeeding twelve (12) calendar months, and the balance in the Sewage Works Sinking Fund shall equal not less than the reserve requirements set forth in Section 12 hereof.

(c) The net revenues of the sewage works in the fiscal year immediately preceding the issuance of any such bonds ranking on a parity with the Refunding Bonds authorized by this Bond Ordinance shall be not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of the then outstanding Refunding Bonds, any then outstanding parity bonds and the additional parity bonds proposed to be issued; or, prior to the issuance of said parity bonds, the sewage rates and charges shall be increased sufficiently so that said increased rates and charges applied to the previous fiscal year's operations would have produced net operating revenues for said year equal to not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of the then outstanding Refunding Bonds, any then outstanding parity bonds and the additional parity bonds proposed to be issued. For purposes of this subsection, the records of the sewage works shall be analyzed and all showings shall be prepared by a certified public accountant employed by the City for that purpose, who



shall certify that he has no pecuniary interest in said additions, extensions or improvements or the financing thereof in any way whatsoever other than to analyze the records of said sewage works and to prepare said showings.

(d) The principal of said additional parity bonds shall be payable on August 1 and the interest on said additional parity bonds shall be payable semi-annually on February 1 and August 1 in the years in which such principal and interest are payable.

Section 18. For the purpose of further safeguarding the interests of the Holders of the Refunding Bonds herein authorized, it is specifically provided as follows:

(a) All contracts let or hereinafter to be let by the City in connection with the construction of any additions and improvements to the sewage works shall be let after due advertisement as required by the laws of the State of Indiana, and all contractors shall be required to furnish surety bonds in an amount equal to one hundred percent (100%) of the amount of such contracts, to insure the completion of said contracts in accordance with their terms, and such contractors shall also be required to carry such employers liability and public liability insurance as are required under the laws of the State of Indiana in the case of public contracts, and shall be governed in all respects by the laws of the State of Indiana relating to public contracts.

(b) Any additions and improvements shall be constructed under the supervision of the City's engineers. All estimates for work done or material furnished shall first be checked by the engineers and approved by the City.

(c) The City shall at all times maintain its sewage works in good condition and operate the same in an efficient manner and at a reasonable cost.

(d) So long as any of the Refunding Bonds herein authorized are outstanding, the City shall maintain insurance on the insurable parts of said works of a kind and in an amount such as would normally be carried by private companies engaged in a similar type of business. All insurance shall be placed with responsible insurance companies qualified to do business under the laws of the State of Indiana. Insurance proceeds shall be used in replacing or repairing the property destroyed or damaged; or if not used for that purpose shall be treated and applied as net revenues of the works.

(e) So long as any of the Refunding Bonds are outstanding, the City shall not mortgage, pledge or otherwise encumber such works, or any part thereof, nor shall it sell, lease or otherwise dispose of any portion thereof except replaced equipment which may become worn out or obsolete.

(f) Except as hereinbefore provided in Section 17 hereof, so long as any of the Refunding Bonds herein authorized are outstanding, no additional bonds or other obligations pledging any portion of the revenues of said sewage works shall be authorized, executed, or issued by the City except such as shall be made subordinate and junior in all respects to the Refunding Bonds herein authorized, unless all of the Refunding Bonds herein authorized are retired or defeased pursuant to Section 13 hereof coincidentally with the delivery of such additional bonds or other obligations.

(g) The City shall take all action or proceedings necessary and proper to require connection of all property where liquid and solid waste, sewage, night soil or industrial waste is produced with available sanitary sewers. The City shall, insofar as possible, cause all such sanitary sewers to be connected with said sewage works.

(h) The provisions of this Bond Ordinance shall constitute a contract by and between the City of Fort Wayne and the Holders of the Refunding Bonds herein authorized, and after the issuance of the Refunding Bonds, this Bond Ordinance shall not be repealed or amended in any respect which will adversely affect the rights of the Holders of the Refunding Bonds, nor shall the Common Council adopt any law, ordinance or resolution which in any way adversely affects the rights of such Holders so long as any of the Refunding Bonds or the interest thereon remain unpaid. Nothing in Section 19 hereof shall be construed as violating this provision.

(i) The provisions of this Bond Ordinance shall be construed to create a trust in the proceeds of the sale of the Refunding Bonds authorized for the uses and purposes herein set forth, and the Holders of the Refunding Bonds shall retain a lien on such proceeds until the same are applied in accordance with the provisions of this Bond Ordinance and of the Sewer Act and the Refunding Act. The provisions of this Bond Ordinance shall also be construed to create a trust in the portion of the net revenues herein directed to be set apart and paid into the Sewage Works Sinking Fund for the uses and purposes of said fund as in this Bond Ordinance set forth. The Holders of the Refunding Bonds shall have all of the rights, remedies and privileges set forth in the provisions of the Sewer Act and the Refunding Act hereinbefore referred to, including the right to have a receiver appointed to administer said sewage works, in the event of default in the payment of the principal of or interest on any of the Refunding Bonds herein authorized or in the event of default in respect to any of the provisions of this Bond Ordinance or the Sewer Act or the Refunding Act.

Section 19. Subject to the terms and conditions contained in this section, and not otherwise, the Holders of not less than sixty-six and two-thirds per cent ( $66\frac{2}{3}\%$ ) in aggregate principal amount of the Refunding Bonds issued pursuant to this Bond Ordinance and then outstanding shall have the right, from time to time, anything contained in this Bond Ordinance to the contrary notwithstanding, to consent to and approve the adoption by the City of such ordinance or ordinances supplemental hereto as shall be deemed necessary or desirable by the City for the purpose of modifying, altering, amending, adding to or rescinding in any particular any of the terms or provisions contained in this ordinance, or in any supplemental ordinance; provided, that with respect to the Bond Income Growth Securities and the Capital Appreciation Bonds, the then current Compound Accreted Value shall be used as the aggregate principal amount for purposes of this sentence; and provided, however, that nothing contained herein shall permit or be construed as permitting:

(a) An extension of the maturity of the principal of or interest on any Refunding Bond issued pursuant to this Bond Ordinance; or

(b) A reduction in the principal amount of any Refunding Bond or the redemption premium or the rate of interest thereon; or

(c) The creation of a lien upon or a pledge of the revenues of the sewage works ranking prior to the pledge thereof created by this Bond Ordinance; and

(d) A preference or priority of any Refunding Bond or Bonds issued pursuant to this Bond Ordinance over any other Refunding Bond or Bonds issued pursuant to the provisions of this Bond Ordinance; or

(e) A reduction in the aggregate principal amount of the Refunding Bonds required for consent to such supplemental ordinance.

The holders of not less than sixty-six and two-thirds per cent ( $66\frac{2}{3}\%$ ) in aggregate principal amount of the Refunding Bonds outstanding at the time of adoption of such supplemental ordinance shall have consented to and approved the adoption thereof by written instrument to be maintained on file in the



office of the Clerk of the City; provided, that with respect to the Bond Income Growth Securities and the Capital Appreciation Bonds, the then current Compound Accreted Value shall be used as the aggregate principal amount for purposes of this sentence. No Holder of any Refunding Bond issued pursuant to this Bond Ordinance shall have any right to object to the adoption of such supplemental ordinance or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the City or its officers from adopting the same, or from taking any action pursuant to the provisions thereof. Upon the adoption of any supplemental ordinance pursuant to the provisions of this section, this Bond Ordinance shall be, and shall be deemed, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Bond Ordinance of the City and all Holders of Refunding Bonds issued pursuant to the provisions of this Bond Ordinance then outstanding, shall thereafter be determined exercised and enforced in accordance with this Bond Ordinance, subject in all respects to such modifications and amendments. Notwithstanding anything contained in the foregoing provisions of this Bond Ordinance, the rights and obligations of the City and of the Holders of the Refunding Bonds authorized by this Bond Ordinance, and the terms and provisions of the Refunding Bonds and this Bond Ordinance, or any supplemental ordinance, may be modified or altered in any respect with the consent of the City and the consent of the Holders of all the Refunding Bonds issued pursuant to this Bond Ordinance then outstanding.

Section 20. The Mayor and the City Controller of the City are each hereby authorized and directed to complete and execute, on behalf of the City and in their official capacities, the Escrow Agreement and a Bond Registrar Agreement, dated as of November 1, 1985, between the City and the Registrar, containing such provisions and with such modifications, changes and supplements as are necessary or desirable for the purposes thereof as such officers shall approve.

Section 21. The estimate of the rates and charges is:

Article VI. User Charges

Sec. 24-30. User Volume Charges.

The water usage schedule upon which charges for services rendered by the Sewer Utility shall be based on water consumption unless otherwise metered or exempted in accordance with the following user classifications and the following charges for services for each such classification:

Service Charge (cents per 100 cu. ft.)

	<u>Class of User</u>	
	<u>Domestic</u>	<u>Manufacturing</u>
Treatment	20.52	20.52
Conveyance, Collection, Billing	19.96	13.01
Capital	12.84	10.33
Pretreatment Administration	<u>-0-</u>	<u>2.50</u>
Total User Charge	53.32	46.36

Sec. 24-31. User Minimum Charges.

In the event the monthly sewage service charge calculated in accordance with the water consumption schedule in Sec. 24-30 does not exceed the minimum monthly charge for each class of user as set forth thereafter user shall pay said minimum monthly charge in lieu of the charge calculated based on water usage, as follows:

<u>Water Meter Size</u>	<u>Minimum Monthly Charge</u>
5/8 - 3/4"	\$ 2.66
1 - 1-1/2"	9.40
2"	19.17
3"	38.52
4"	64.04
6" or larger	177.87

Sec. 24-32. User Flat Charges.

In the event any user is not a metered water customer, there shall be imposed flat charge rates as follows:

<u>Classification of Customer</u>	<u>Monthly Flat Charge (1)</u>	
	<u>In-City</u>	<u>Out-City</u>
Domestic User - Single Family Dwelling	\$ 5.33	\$ 6.39
Domestic User - Multi-Family Dwelling	To be estimated by City	
Commercial and Industrial User	To be estimated by City	

(1) Monthly flat charges for multi-family dwellings shall be based on the number of family unit accommodated by the system multiplied by the single family dwelling monthly charges. Monthly flat charges for Commercial and Industrial establishments may be based either on number of employees; the manufacturing processes used; other pertinent sewer use indicators; or the outfall measurements where such data is available.

The Utility shall retain documentation supporting its estimates and the billings based thereon. Such determination of billings may be reviewed and adjusted by the Utility at any time. However, no adjustment, additional charge, or refund may be made more than six (6) years after the due date of the billing sought to be adjusted.

Sec. 24-33. Contract Customers - Unit and Other Charges.

In the event the City consummates a contract to serve a Regional Treatment Plant for any other municipality or private sewage utility, either contiguous to the City or in its environs, said contract shall provide for the following unit charges:

-1	<u>Volume Charge (cents per 100 cu. ft.)</u>
Treatment	20.52
Capital Charge	<u>12.88</u>
	33.40
-2	<u>Variable Charge (cents per 100 cu. ft.)</u>

A variable charge for conveyance and collection costs attributable to the portion of the conveyance system and operating costs associated therewith used by the contract customer shall be computed by the City and added to the volume charge.

-3 Flat Charge

In addition to the foregoing charges based on volume of sewage treated and conveyed each contract customer will pay a monthly billing charge of 0.60 and a monthly surveillance charge of ninety-dollars (\$90.00).



-4 Excess Strength-of-Wastes Surcharge

In the event a contract customer contributes waste having a strength in excess of domestic waste characteristics, as herein before defined, a surcharge based on the following unit process charge will be in effect for all waste found to be in excess of limitations:

	<u>Cents Per Pound</u>
Suspended Solids - (SS)	4.304
Biochemical Oxygen Demand (BOD)	4.300
Phosphorus - (P)	41.193
Ammonia - (NH <sup>3</sup> )	

-5 Capital Surcharge

In the event contract customer delivers sewage for treatment to City for a period of 90 consecutive days which is in excess of base MGD contracted for, then customer will be subject to an additional capital charge computed at the capital charge (per 100 cu. ft.) then in effect times the excess percentage of MGD represented by dividing actual MGD by contracted MGD.

-6 Other Provisions

In the event sewage received pursuant to any contract entered into under this section exceeds any of the limitations imposed by this Chapter, the City shall have the right impose all charges, limitations and penalties applicable to any non-contract user by the City. Each contract entered into by the City pursuant to the foregoing rate classification shall provide that the contract customer shall agree to enact and maintain a Sewer Use Ordinance and User Charge System acceptable to the City and in conformance with the City's obligations under Sec. 204(b)(1). Public Law 95-217 as amended and supplemented and guidelines and regulations promulgated thereunder by the U.S. Environmental Protection Agency and 40 CFR 35-905-8, 35-928-1 and 35-928-2, and 35-935-13.

Sec. 24-34. Bulk Waste Charges.

- Industrial - For all Industrial waste suitable for disposal directly through the plant digesters which has been delivered by the Customer to City's Plant - \$178.50 per load. For purposes of computing charges hereunder, a load is defined as 5000 gallons of tank capacity or fraction thereof.
- Domestic - For all Domestic waste delivered to plant by Customer's truck or tank - \$26.10 per load. For purposes of computing charges hereunder, a load is defined as 1000 gallons of tank capacity or fraction thereof.

Sec. 24-35. Annual Review of Service Charges.

Prior to May 1st of each year, the General Auditor of the City Utilities and an Independent Certified Public Accountant employed for that purpose shall submit to the Board of Public Works a comparison of the calculated unit cost for flow, removal of BOD, suspended solids, phosphorus and ammonia per year with unit charges currently in effect from which the Board shall determine whether the current service charges and surcharges are adequate or should be changed. The methodology utilized in developing this cost comparison shall include:

1. A system including the distribution of the cost of operation and maintenance of the treatment works of the WPC Utility to each user class in proportion to such user's contribution to the total waste loading of the treatment works. Factors such as strength, volume, and delivery flow characteristics shall be considered and included as the basis for the user's contribution to insure a proportional distribution of operation and maintenance and replacement costs to each user class.

2. Total annual service charges and surcharges collected from each individual user class shall be deemed sufficient if said charges have generated during the prior operating period sufficient revenue to offset the cost of all treatment works operation and maintenance provided by the Utility, including cost of management, system repair, and replacement, debt retirement and other costs incidental to the Utility Operation attributable to such class.

#### Article VII. Strength-of-Wastes Surcharge

##### Sec. 24-36. Liability for Surcharge.

Each user discharging wastes into the sewerage system shall be subject to a strength-of-wastes surcharge, in addition to other sewage service charges imposed by this ordinance, based on the following minimum strength characteristics to the extent that such wastes are in concentrations greater than:

- 1 Biochemical Oxygen Demand of 300 milligrams per liter.
- 2 Chemical Oxygen Demand of 600 milligrams per liter.
- 3 Suspended solids content of 300 milligrams per liter.
- 4 Phosphorus content of 10 milligrams per liter.
- 5 Ammonia content of 15 milligrams per liter.

##### Sec. 24-37. Computation of Surcharge.

The surcharge shall be determined as follows:

The excess pounds of BOD or COD (whichever results in the higher charge) suspended solids, phosphorus, and ammonia will each be computed by first multiplying the User's billing sewage volume measured in units of 100 cubic feet for the current billing period by the factor 0.0062321 and then multiplying this product by the difference between (a) the concentrations measured in milligrams per liter of the BOD or COD, suspended solids, phosphorus, and ammonia respectively in the User's sewage and (b) the allowed concentrations set out in Section 24-36. The surcharge for each constituent will then be determined by multiplying the excess pounds of each constituent by the appropriate rate of surcharge set out in Section 24-33-4. In the event COD measurement is used, as hereinbefore provided, fifty percent (50%) of the excess pounds measured will be used to compute the equivalent BOD charge.

##### Sec. 24-38. Waste Evaluation Charges.

All users discharging wastes into the system requiring continuing surveillance sampling and waste evaluation shall be subject to a monthly fixed charge to cover the costs of such services in the amount of ninety-dollars (\$90.00) per discharge point.

##### Sec. 24-39. Revision of Rates of Surcharge.

Prior to May 1st, of each year, the General Auditor of the City Utilities and an Independent Certified Public Accountant employed for that purpose shall submit to the Board of Public Works a comparison of the calculated unit costs for removing BOD, suspended solids, phosphorus, and ammonia from the Sewage Treatment Plant influent during the previous calendar year with the unit charges currently in effect in order that the Board may determine whether the current rates of surcharge are adequate or should be changed and request legislative enactment of said changes by the Common Council.

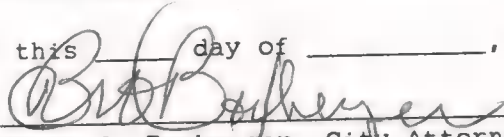
Section 22. All ordinances and parts of ordinances in conflict herewith are hereby repealed; provided, however, that this Bond Ordinance shall not be deemed in any way to repeal, amend, alter or modify the ordinances authorizing the issuance of the Outstanding Bonds, nor be construed as adversely affecting the rights of the holders of the aforementioned Outstanding Bonds.



Section 23. This Bond Ordinance shall be in full force and effect from and after its passage and signing by the Mayor.

\_\_\_\_\_  
Councilman

Approved as to form and legality this \_\_\_\_\_ day of \_\_\_\_\_, 1985.

  
\_\_\_\_\_  
Bruce O. Boxberger, City Attorney

Read the first time in full and on motion by \_\_\_\_\_,  
seconded by \_\_\_\_\_, and duly adopted, read the second time  
by title and referred to the Committee \_\_\_\_\_ (and the City  
Plan Commission for recommendation) and Public Hearing to be held after due  
legal notice, at the Council Chambers, City-County Building, Fort Wayne,  
Indiana, on \_\_\_\_\_, the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_,  
at \_\_\_\_\_ o'clock \_\_\_\_M., E.S.T.

DATE: \_\_\_\_\_

SANDRA E. KENNEDY - CITY CLERK

Read the third time in full and on motion by \_\_\_\_\_  
seconded by \_\_\_\_\_, and duly adopted, placed on its  
passage. PASSED (LOST) by the following vote:

	<u>AYES</u>	<u>NAYS</u>	<u>ABSTAINED</u>	<u>ABSENT</u>	<u>TO-WIT</u>
<u>TOTAL VOTES</u>	<u>7</u>	<u>1</u>	<u>1</u>	_____	_____
<u>BRADBURY</u>	<u>✓</u>	_____	_____	_____	_____
<u>BURNS</u>	_____	_____	<u>✓</u>	_____	_____
<u>EISBART</u>	<u>✓</u>	_____	_____	_____	_____
<u>GiaQUINTA</u>	<u>✓</u>	_____	_____	_____	_____
<u>HENRY</u>	<u>✓</u>	_____	_____	_____	_____
<u>SCHMIDT</u>	_____	<u>✓</u>	_____	_____	_____
<u>REDD</u>	<u>✓</u>	_____	_____	_____	_____
<u>STIER</u>	<u>✓</u>	_____	_____	_____	_____
<u>TALARICO</u>	<u>✓</u>	_____	_____	_____	_____

DATE: 11-12-85

Sandra E. Kennedy  
SANDRA E. KENNEDY - CITY CLERK

Passed and adopted by the Common Council of the City of Fort Wayne,  
Indiana, as (ZONING MAP) (GENERAL) (ANNEXATION) (SPECIAL)  
(APPROPRIATION) ORDINANCE (RESOLUTION) NO. D-207-85  
on the 12th day of November, 1985

ATTEST:  
Sandra E. Kennedy  
SANDRA E. KENNEDY - CITY CLERK

(SEAL)  
Mark E. GiaQuinta  
PRESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana, on the  
13th day of November, 1985, at the hour of 2:00 o'clock  
P.M., E.S.T.

Sandra E. Kennedy  
SANDRA E. KENNEDY - CITY CLERK

Approved and signed by me this \_\_\_\_\_ day of \_\_\_\_\_, 1985, at  
the hour of \_\_\_\_\_ o'clock \_\_\_\_M., E.S.T.

Walter R. Wagner



Read the first time in full and on motion by Eisbart, seconded by Salinas, and duly adopted, read the second time by title and referred to the Committee Finance (and the City Plan Commission for recommendation) and Public Hearing to be held after due legal notice, at the Council Chambers, City-County Building, Fort Wayne Indiana, on \_\_\_\_\_, the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ .M., E.S.

DATE: 10-22-85

Sandra E. Kennedy  
SANDRA E. KENNEDY, CITY CLERK

Read the third time in full and on motion by \_\_\_\_\_, seconded by \_\_\_\_\_, and duly adopted, placed on its passage. PASSED (LOST) by the following vote:

	<u>AYES</u>	<u>NAYS</u>	<u>ABSTAINED</u>	<u>ABSENT</u>	<u>TO-WIT:</u>
<u>TOTAL VOTES</u>	_____	_____	_____	_____	_____
<u>BRADBURY</u>	_____	_____	_____	_____	_____
<u>BURNS</u>	_____	_____	_____	_____	_____
<u>EISBART</u>	_____	_____	_____	_____	_____
<u>GiaQUINTA</u>	_____	_____	_____	_____	_____
<u>HENRY</u>	_____	_____	_____	_____	_____
<u>REDD</u>	_____	_____	_____	_____	_____
<u>SCHMIDT</u>	_____	_____	_____	_____	_____
<u>STIER</u>	_____	_____	_____	_____	_____
<u>TALARICO</u>	_____	_____	_____	_____	_____

DATE: \_\_\_\_\_

Sandra E. Kennedy  
SANDRA E. KENNEDY, CITY CLERK

Passed and adopted by the Common Council of the City of Fort Wayne, Indiana, as (ANNEXATION) (APPROPRIATION) (GENERAL) (SPECIAL) (ZONING MAP) ORDINANCE (RESOLUTION) NO. \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_,

ATTEST:

(SEAL)

Sandra E. Kennedy  
SANDRA E. KENNEDY, CITY CLERK

\_\_\_\_\_  
PRESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana, on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, at the hour of \_\_\_\_\_ o'clock \_\_\_\_\_ .M., E.S.T.

Sandra E. Kennedy  
SANDRA E. KENNEDY, CITY CLERK

Approved and signed by me this 14th day of November, 19 85, at the hour of 3:30 o'clock P..M., E.S.T.

Win Moses, Jr.  
WIN MOSES, JR., MAYOR

## DISCUSSION OF "LOW-TO-HIGH" REFUNDINGS

The advance refunding of the City of Fort Wayne Sewer Works outstanding debt involves defeasing the relatively low interest rates on the existing debt with relatively higher interest rates. However, given the proper structuring of the advance refundings, there is no additional debt service to the City through the date of the original bond maturities given the fact that this refunding is a refunding to the original maturity and does not "call in" (pay off) the existing bonds early. A brief explanation of advance refundings is helpful in explaining this concept.

An "Advance Refunding" in municipal finance means nothing more than a "refinancing (i.e., a "defeasance") undertaken prior to (i.e., in advance of) the date upon which the original bond issue can be paid off (i.e., "called"). Generally, proceeds from the refunding bond issue are invested in U.S. Government Securities, either "Open Markets" or "SLGS", with the earnings on that escrowed investment being utilized to pay debt service on the original bond issue (the "Refunded Bond Issue").

Most refundings, including the proposed structure, are "Standard or Net Defeasance Advance Refunding", where the bond issue is sized so that the proceeds will be in an amount sufficient to pay off the remaining principal balance of the original bond issue (i.e. the Refunded Bond Issue) and so that earnings on those proceeds while escrowed will be adequate to make principal and interest payments on those bonds as scheduled.

Advance Refundings have a requirement that the escrow be invested at a yield restricted to the new bond yield. Assuming the bond yield is obtainable in SLGS or open markets (which they are in the case of Fort Wayne), this requirement means that there are essentially no savings (or cost) as long as the old refunded bonds remain outstanding. It is noteworthy that the costs of issuance and cost of bond insurance (if any) are included in the permitted escrow yield.

Given these considerations, in a low-to-high refunding, the issuer sells a smaller amount of new refunding bonds at the higher interest rates, the proceeds from which are invested at that same "higher" rate, which is sufficient to pay debt service on the old bonds. Therefore, in a refunding to maturity, total debt service on the smaller amount of new bonds is essentially the same as the debt service on the larger amount of low interest rate debt.



CITY OF FT. WAYNE, INDIANA  
Sewer Works Improvement Revenue Bonds Advance Refunding  
Debt Service Comparison

Bond Year Ending August	Debt Service As Restructured	Earnings on Debt Service Reserve at 10.5%	Release of Debt Service Reserve	Net Debt Service (After Debt Service Reserve Earnings)	Existing Debt Service	Debt Service Savings (Increase)
1986	\$ 202,960.97	\$146,605.00		\$ 56,355.97	\$2,052,871.26	\$ 1,996,515.29
1987	327,650.00	236,250.00		91,400.00	2,053,048.74	1,961,648.74
1988	327,650.00	236,250.00		91,400.00	2,055,157.50	1,963,757.50
1989	2,429,587.50	236,250.00		2,193,337.50	2,054,657.50	( 138,680.00)
1990	2,430,125.00	236,250.00		2,193,875.00	2,061,495.00	( 132,380.00)
1991	2,420,000.00	236,250.00		2,183,750.00	2,067,995.00	( 115,755.00)
1992	2,420,000.00	236,250.00		2,183,750.00	2,072,982.00	( 110,768.00)
1993	2,420,000.00	236,250.00		2,183,750.00	2,080,082.50	( 103,667.50)
1994	2,420,000.00	236,250.00		2,183,750.00	2,083,270.00	( 100,480.00)
1995	2,420,000.00	236,250.00		2,183,750.00	2,091,382.50	( 92,367.50)
1996	2,420,000.00	236,250.00		2,183,750.00	2,111,312.50	( 72,437.50)
1997	2,422,250.00	236,250.00		2,186,000.00	2,086,775.00	( 99,225.00)
1998	2,424,500.00	236,250.00		2,188,250.00	2,097,997.50	( 90,252.50)
1999	2,424,500.00	236,250.00		2,188,250.00	2,122,743.75	( 65,506.25)
2000	2,424,500.00	236,250.00		2,188,250.00	1,905,156.26	( 283,093.74)
2001	2,425,750.00	236,250.00		2,189,500.00	(2,189,500.00)	(2,189,500.00)
2002	2,423,750.00	236,250.00		2,187,500.00	(2,187,500.00)	(2,187,500.00)
2003	2,422,500.00	236,250.00		2,186,250.00	(2,186,250.00)	(2,186,250.00)
2004	2,425,250.00	236,250.00		2,189,000.00	(2,189,000.00)	(2,189,000.00)
2005	4,680,000.00	236,250.00	\$2,250,000.00	2,193,750.00	(2,193,750.00)	(2,193,750.00)
	<u>\$44,310,973.47</u>	<u>\$4,635,355.00</u>	<u>\$2,250,000.00</u>	<u>\$37,425,618.47</u>	<u>\$30,996,927.01</u>	<u>\$(6,428,691.46)</u>

Assumptions employed in analysis:

- (i) S & P Rating "A";
- (ii) Advance refunding of all outstanding bonds with no early redemption to maximize savings;
- (iii) Availability at closing of \$2.25 million existing DSR;
- (iv) Municipal market conditions as of October 30, 1985;
- (v) New DSR invested at rate of 10.5%; and
- (vi) Settlement December 18, 1985.

## CREDIT ENHANCEMENT CONSIDERATIONS

For a variety of reasons, including (i) market acceptance, (ii) a lower effective cost of funds, and (iii) speed in obtaining a rating, a growing percentage of revenue bonds issued in today's market place are credit enhanced by Bond Insurance. Obtaining a credit enhancement is desirable when the effective cost of the borrowing is reduced by an amount which exceeds the cost of the enhancement. To perform this analysis, it is necessary to assume the rating that the City's sewer bonds would receive without any credit enhancement. Typically, the lower the rating of the uninsured bonds, the more advantageous it is to employ a credit enhancement. We have been assuming the sewer works would receive an "A" rating without insurance.

The time involved in securing a rating from S&P or Moody's is especially critical for the proposed advance refunding.

Assuming a major bond insurer is utilized, a rating will be automatically issued. Therefore, it is important to assess the current backlogs of both the insurers and the rating agencies.

A final factor in evaluating bond insurance is the perceived attitude toward the refunding bond structure.

Our analysis shows that under current market conditions, given the current bond structure, there is no discernible difference between the uninsured and insured scenarios. We will continue to evaluate the cost/benefit trade-off as the financing progresses.



1 BILL NO. S-85-10- 49

2 SPECIAL ORDINANCE NO. S- \_\_\_\_\_

3 AN ORDINANCE authorizing the issuance  
4 of Revenue Bonds for the purpose of  
5 Advance Refunding of prior Sewage Works  
6 Revenue Bonds and prior Sewer Connection  
7 Bonds.

8 WITNESSETH:

9 WHEREAS, the City of Fort Wayne ("City") has heretofore  
10 established, constructed and financed sewage works pursuant to  
11 Chapter 61 of the Acts of the Indiana General Assembly for the  
12 year 1932, and now owns and operates said sewage works pursuant  
13 to I.C. 36-9-23, et. seq.;

14 WHEREAS, the Common Council finds that there are now  
15 outstanding bonds issued on account of the construction and im-  
16 provement of the City's sewage works and payable out of the net  
17 revenues therefrom designated "Sewage Works Improvement Revenue  
18 Bonds," ("1959 Bonds") dated November 1, 1959, now outstanding  
19 in the amount of \_\_\_\_\_, bearing interest  
20 at the rates of 3 7/8% or 3 1/4% per annum, depending on the ma-  
21 turities, maturing through 1990, which bonds constitute a first  
22 charge upon the new revenues of the sewage works;

23 WHEREAS, the Common Council finds that there are also  
24 outstanding bonds issued on account of the construction and improve-  
25 ment of the City's sewage works and payable out of the net revenue  
26 therefrom designated "Sewage Works Improvement Revenue Bonds  
27 of 1961," ("1961 Bonds") dated August 1, 1961, now outstanding  
28 in the amount of \_\_\_\_\_, bearing interest at  
29 the rate of 3 3/4% per annum, maturing through 1993, which bonds  
30 are on a parity with the 1959 bonds and also constitute a first  
31 charge upon the net revenues of the sewage works;

32 WHEREAS, the Common Council finds that there are also  
outstanding bonds issued on account of the construction and improvemen-  
of the City's sewage works and payable out of the net revenues

1 Page Two

2 therefrom designated "Sewage Works Improvement Revenue Bonds  
3 of 1970," ("1970 Bonds") dated April 1, 1970, now outstanding  
4 in the amount of \_\_\_\_\_, bearing interest at  
5 the rates of 6 7/10%, 6 5/10%, 6 7/10% 6 9/10% or 7% per annum,  
6 depending on the maturities, maturing through 1995, which bonds  
7 are on a parity with the 1959 bonds and 1961 bonds and also con-  
8 stitute a first charge upon the net revenues of the sewage works;

9 WHEREAS, the Common Council finds that there are also  
10 outstanding bonds issued on account of the construction and im-  
11 provement of the City's sewage works and payable out of the new  
12 revenues therefrom designated "Sewage Works Improvement Revenue  
13 Bonds of 1975," ("1975 Bonds") dated January 1, 1975, now out-  
14 standing in the amount of \_\_\_\_\_, bearing in-  
15 terest at the rates of 6 5/10%, 6 7/10% or 5% per annum, depending  
16 on the maturities, maturing through 1997, which bonds are on  
17 a parity with the 1959 bonds, 1961 bonds and 1970 bonds and also  
18 constitute a first charge upon the net revenues of the sewage  
19 works;

20 WHEREAS, the Common Council finds that there are also  
21 outstanding bonds issued on account of the construction and addi-  
22 tions of improvements with the sewage works of the City and payable  
23 out of the net revenues therefrom designated "Sewer Connection  
24 Bonds of 1982," and "Sewage Works Revenue Bonds of 1982," ("1982  
25 Bonds") dated July 1, 1982 and August 1, 1982, respectively with  
26 interest rates at \_\_\_\_\_ and bonds maturing through  
27 the year 2000, which bonds are on a parity with the 1959, 1961,  
28 1970 and 1975 bonds and also constitute a first charge upon the  
29 net revenues of the sewage works;

30 WHEREAS, Ordinance Number S-87-82 of the Common Council  
31 authorizes the issuance of additional bonds ranking on a parity  
32 with said bonds, provided certain conditions can be met and the



1 Page Three

2 City finds that the finances of said sewage works are such as  
3 will enable the conditions for the issuance of Advance Refunding  
4 Bonds;

5 WHEREAS, the Common Council finds that it is in the  
6 best interest of the City that Advance Refunding Bonds be issued  
7 pursuant to I.C. 5-1-5 ("Act") for purposes of decreasing debt  
8 service requirements; the elimination of cash debt service reserve  
9 fund requirements; more advantageous interest rates; and a savings  
10 to the issuing body generally.

11 NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL  
12 OF THE CITY OF FORT WAYNE, INDIANA:

13 SECTION 1. The City shall issue its Sewer Works Advance  
14 Refunding Revenue Bonds in the amount of \_\_\_\_\_  
15 for purposes of procuring funds to advance refund the 1959,  
16 1961, 1970, 1975, 1982 bonds, including the funding of a debt  
17 reserve in the amount of \_\_\_\_\_ and the  
18 costs of issuance. Any provision of this ordinance to the con-  
19 trary notwithstanding, said bonds shall be secured by a first  
20 lien upon all revenue received on account of the sewage works  
21 and such revenue shall be segregated and kept in a special fund  
22 separate and apart from all other funds of the City. These se-  
23 parate funds shall be maintained and managed in accordance with  
24 the terms and conditions of the Trust Indenture ("Indenture")  
25 entered into by and between the City and \_\_\_\_\_  
26 \_\_\_\_\_ as Trustee. The Indenture is attached here-  
27 to as a part hereof. The Indenture contains provisions regarding  
28 the terms and conditions of the refunding bonds. Said bonds  
29 shall be issued in the denomination of Five Thousand Dollars  
30 (\$5,000.00) numbered consecutively from the number one (1), dated  
31 on the first day of the month in which sold and shall bear in-  
32 terest at a rate or rates not exceeding 14% per annum (the exact

Page Four

rate or rates to be determined by the Act), payable on the first days of \_\_\_\_\_ and \_\_\_\_\_ in each year, beginning \_\_\_\_\_, 1985. Both principle and interest shall be payable in lawful money of the United States of America at \_\_\_\_\_, and such bonds shall mature serially in numerical order on \_\_\_\_\_ in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
-------------	---------------	-------------	---------------

SECTION 2. The proceeds of the Advance Refunding Bonds shall be used to purchase government securities deposited in the escrow account created under the escrow agreement between the City and \_\_\_\_\_, as escrow agent, under the terms of which provision shall be made for the timely payment of all principle and interest due on the prior bonds. The escrow agreement is attached hereto as a part hereof.

SECTION 3. The City covenants and agrees that it will establish and maintain just and equitable rates or charges for the use of and service rendered by its sewage works and that such rates or charges shall be sufficient in each year for the payment of proper and reasonable expenses of operation, repair and maintenance of the works, and for the payment of the sums required to be paid to the trustee. Such rates or charges shall, if necessary, be changed and readjusted from time to time so that the revenues therefrom shall always be sufficient to meet the expenses of operation, repair and maintenance, depreciation and the requirements to pay in timely fashion all principle and interest on the Advance Refunding Bonds.

SECTION 4. The City is empowered and authorized to act as herein provided and the Mayor and the Board of Public



1 Page Five

2 Works and Safety of this City are authorized to execute all docu-  
3 ments associated herewith.

4 SECTION 5. That this Ordinance shall be in full force  
5 and effect from and after its passage and any and all necessary  
6 approval by the Mayor.

7  
8   
Councilmember

9 APPROVED AS TO FORM  
10 AND LEGALITY

11   
12 Bruce O. Boxberger, City Attorney  
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# The City of Fort Wayne

## MEMORANDUM

November 4, 1985

TO: CITY COUNCIL MEMBERS  
FROM: COSY SIMON *CS*  
RE: SEWER REFUNDING BOND

=====

Enclosed please find a redraft of the proposed sewer refunding bond scheduled for discussion tomorrow night.

While some of the specifics have been changed from the skeleton draft originally introduced, the overall concept is the same.

The enclosed ordinance is formidable. We will do our best to keep the explanation clear and easy to understand on Tuesday.

Please call if you have any questions.

CRS:1



**RECEIVED**

**NOV 04 1985**

**CITY CONTROLLER'S OFFICE  
FORT WAYNE, IN**

**CITY OF FORT WAYNE  
Fort Wayne, Indiana**

**Water Pollution Control  
Rate and Financial Report**

**November 1, 1985**

CITY OF FORT WAYNE  
Fort Wayne, Indiana

T A B L E   O F   C O N T E N T S

LETTER OF TRANSMITTAL

EXHIBIT A                      - Supplemental Information

EXHIBIT B                      - Rates and Collection of Rates

EXHIBIT C                      - Schedule of Present Sewage Rates

EXHIBIT D                      - Rate History

EXHIBIT E                      - Comparative Statement of Net Revenues & Coverage

EXHIBIT F                      - Pro Forma Statement of Net Revenues & Coverage

SCHEDULE F-1                 - Schedule of Assumptions - Pro Forma Statement of Net  
Revenues and Coverage



November 1, 1985

Board of Public Works  
Common Council  
City of Fort Wayne  
Fort Wayne, Indiana 46802

In re: Sale and Issuance of Approximately \$17.0 Million Sewage Works  
Refunding Revenue Bonds of 1985

Gentlemen and Madam:

Pursuant to our employment as independent financial consultants in respect of the above-referenced financing, we have made certain studies, prepared certain financial schedules and reports and have undertaken the drafting of supplemental information relevant to the project.

The accompanying exhibits, the Sewage Works descriptive matter and financial data, which may be utilized in whole or in part by the underwriters in preparation of the Official Statement, have been prepared by us without audit; and, accordingly, we express no opinion thereon.

The statements and information relating to the Sewage Works, to the best of our knowledge, are true and correct in all material respects and have been obtained from sources which we believe are reliable.

Respectfully submitted,

MUNICIPAL CONSULTANTS, INC.

*Bernard T. Perry*  
Bernard T. Perry

BTP/tmo  
Enclosure

**Municipal  
Consultants, Inc.**

Suite 1212 - East Tower  
One Merchants Plaza  
Indianapolis, Indiana 46204  
(317) 635-3442

Suite 112  
235 South Maitland Avenue  
Maitland, Florida 32751  
(305) 644-1068

CITY OF FORT WAYNE  
Fort Wayne, Indiana

Water Pollution Control Utility  
Supplemental Information

Business History

The Fort Wayne Water Pollution Control Utility (WPC) serves 67,200 users in the City and contiguous areas in Allen County, comprised 80 large industrial users, 6,000 commercial and small industrial customers and 61,120 domestic users.

In addition to providing service to its own users, the WPC has been designated a regional sewage treatment plant by the U.S. Environmental Protection Agency (EPA). Pursuant to such designation the WPC treats bulk sewage delivered into the Fort Wayne system by the City of New Haven, Towns of Leo and Grabill, certain rural sanitary districts and one investor-owned suburban sewage utility. Bulk service is rendered subject to contract rates, terms and conditions reviewed and approved by EPA.

Presently installed treatment capacity of the WPC plant is 60 million gallons per day (mgd). The most recent capacity addition was made in 1979 when 30 mgd capacity was added as a part of an extensive construction program initiated in 1975 to bring the treatment and collector system in conformance with environmental requirements of the Clean Water Act of 1972. The WPC has maintained an on-going capital improvement program to provide more efficient collection of waste and extensions of service as required by users.

Since 1975 all major WPC construction programs have been financed for the most part by grants from EPA and Indiana State Board of Health which have provided 85% of construction costs. In the past 10 years the City has been recipient of over \$90 million of such construction grant proceeds. The City's ability to qualify for grant funds has been enhanced by the capabilities of its in-house design and engineering staff.

Regulation

Improvements to the City's treatment plant and sewer system require approval by the Indiana Stream Pollution Control Board, the Indiana State Board of Health, EPA and, in some instances, the U.S. Corps of Engineers.

Rates charged for sewage service in the City are fixed by the Common Council pursuant to adoption of a rate ordinance after duly advertised public notice and hearing.

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By acceptance of federal grant funds as described hereinbefore, pursuant to Public Law 92-500 and subsequent amendments, the City has been required by EPA to institute and maintain user charges which are equitable and non-discriminatory in accordance with EPA guidelines. Further, the City has been required by EPA and the Indiana State Board of Health to institute a program of pre-treatment standards for its industrial users. All requirements of such regulatory agencies have been fully satisfied as of the date of this report.

Future Capacity Requirements

In 1985 General Motors Corp. determined that it would construct and operate a major light truck assembly plant in southwest Allen County. A condition precedent to that decision, among other considerations, was the agreement of the City to furnish water and sewage service for this installation.

The City has agreed to provide sewage pumping, transmission and treatment facilities for effluent volume of 4.5 million gallons per day. The effluent will meet all EPA pre-treatment and prohibited waste requirements of the City's Sewer Use Ordinance.

No additional treatment facilities are required. Transmission of waste has required the construction of sewer lines and appurtenances to the project site. A portion of such construction costs has been defrayed by grants to the City from the Indiana Department of Commerce. It is expected operations of the General Motors plant will commence in 1987.



CITY OF FORT WAYNE  
Fort Wayne, Indiana

Water Pollution Control Utility  
Rates and Collection of Rates

Rates

The Common Council on July 24, 1984, after due notice and public hearing, as required by law, adopted Ordinance G-17-84 amending Chapter 24 of the Fort Wayne Municipal Code (hereafter "Rate Ordinance"). This Rate Ordinance established new rates and charges to be collected for sewage service rendered after August 1, 1984 and repealed all prior rate schedules.

On October 27, 1981 the Common Council amended Chapter 24 to provide for a special capital surcharge to be collected from approximately 6,200 users residing in a suburban area served previously by an investor-owned sewer utility. The monthly surcharge was imposed, and remains effective, until the debt service and other costs associated with the City's acquisition of the property and plant serving these users have been paid in full.

On December 16, 1981 the City's Board of Works adopted Resolution 71-146-10 (hereafter "Resolution") fixing a sewer connection fee of \$2,000 for approximately 2,350 users in a suburban area of the City required to connect to, and benefited by, the City's newly constructed interceptor system extended into Allen County. The Resolution provided for payment of the fee in cash at the time of connection or, at the option of the user, for payment of the fee in monthly installments of \$30 to be added to the sewage service bill of users electing such method of payment. Such monthly payments were scheduled to continue until the principal of \$2,000 and the interest thereon has been satisfied. The installment debt was secured by a mortgage agreement executed at the time of sewer connection.

The Rate Ordinance provides that the rates and charges shall be collected from the owner of each and every lot, parcel of real estate or building that is connected to the City's sanitary sewage system or otherwise discharges sanitary sewage, industrial waste, water or other liquids, either directly or indirectly, into the sanitary sewage system of the City of Fort Wayne. The sewage rates and charges, which are exhibited elsewhere in this report, are based on the quantity of water used on or in the property or premises subject to such rates and charges as the quantity is measured by the water meter there in use, except as the Ordinance provides for special circumstances.

Collection of Rates

The governing Indiana statutes provide that charges for sewage service shall constitute a lien against the property served and, if not paid within 70 days after the same are due, may be enforced by the City:

CITY OF FORT WAYNE  
Fort Wayne, Indiana

Water Pollution Control Utility  
Rates and Collection of Rates

- (a) by the taking of a money judgment for the amount of the delinquent charge, together with a penalty of ten percent (10%), attorneys' fees and court costs, or
- (b) by certifying the delinquent charges to the County Auditor for collection with and as a part of the general taxes payable on the property to which the charges apply, or
- (c) by the foreclosure of the lien under the laws relating to the foreclosure of improvement liens, in which case the City is entitled to recover the amount of charges plus a penalty of ten percent (10%) together with attorneys' fees and court costs.

Future Rate Revisions

The Rate Ordinance requires annual review of rates and adjustments thereof in order to meet the statutory requirements for sufficiency of revenues and the non-discriminatory requirements of EPA guidelines.

Pursuant to said requirement in 1985, the City has employed Municipal Consultants, Inc. (Consultants) to undertake a cost of service study which will meet such review requirements and further integrate into its rate structure the additional contractual requirements of General Motors referred to elsewhere in this report. The Consultants estimate that a new Rate Ordinance incorporating such matters and any increase in rates which may be required will be presented to Common Council before year end 1985.

CITY OF FORT WAYNE  
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Water Pollution Control Utility  
Schedule of Present Sewage Rates  
Pursuant to Chapter 24 of the Fort Wayne Municipal Code

<u>A. Service Charge (cents per 100 cu. ft.)</u>		
Total User Charge - Domestic		53.32
- Manufacturing		46.36
<u>B. Minimum Charges (per month)</u>		
<u>Water Meter Size</u>		
5/8 - 3/4 inch	\$	2.66
1 - 1 1/2 inch		9.40
2 inch		19.17
3 inch		38.52
4 inch		64.04
6 inch or larger		177.87
<u>C. User Flat Charges</u>		
Domestic User - Single Family - In-City	\$	5.33
- Out-City		6.39
<u>D. Regional Contract Treatment Charges</u>		
Volume Charge (cents per 100 cu. ft.)		33.4
Flat Charge - Billing Charge - cents per month		60.0
Surveillance Charge - per month	\$	90.00
<u>E. Excess Strength of Waste Surcharge</u>		
<u>Constituent Waste</u>		
Suspended Solids (SS) - cents per pound		4.304
Biochemical Oxygen Demand (BOD) - cents per pound		4.300
Phosphorus (P) - cents per pound		41.193
Ammonia (NH3)		11.410
<u>F. Industrial Surveillance Charge</u>		
Charge Per Month	\$	90.00
<u>G. Inbalco Capital Surcharge</u>		
Charge Per Month	\$	4.65
<u>H. Bulk Waste - Per Load</u>		
Industrial	\$	178.50
Domestic		26.10
<u>I. Sewer Connection Charge (in lieu of cash payment)</u>		
Domestic - charge per month	\$	30.00



CITY OF FORT WAYNE  
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Water Pollution Control Utility  
Rate History

<u>Effective Date</u>	<u>Monthly Charge for Average Domestic Usage</u>	<u>Monthly Minimum Charge</u>
1940	\$ .88	\$ .55
1959	1.73	1.10
1969	2.34	1.50
1975	2.90	1.85
1977	2.58	1.95
1978	3.58	2.60
1979	3.55	2.22
1982	3.90	2.43
1984	4.27	2.66

CITY OF FORT WAYNE  
Fort Wayne, Indiana

Water Pollution Control Utility  
Comparative Statement of Net Revenues & Coverage

	12 Months Ended August 31, 1985	Year Ended December 31,			
		1984	1983	1982	1981
Gross Revenues					
Operating Revenues	\$ 7,254,989	\$ 6,957,258	\$ 6,903,470	\$ 6,366,649	\$ 5,385,873
Interest Income	702,783	760,834	786,847	860,649	1,356,372
Other Income (1)	829,952	609,467	613,800	622,813	127,224
Total Gross Revenues	<u>8,787,724</u>	<u>8,327,559</u>	<u>8,304,117</u>	<u>7,850,111</u>	<u>6,869,469</u>
Operating Revenue Deductions					
Operation and Maintenance	5,688,895	5,543,576	3,863,766	3,930,369	4,084,015
Contributions to Civil City	578,581	548,669	494,474	500,228	441,058
Flood Loss	<u>-0-</u>	<u>-0-</u>	<u>16,205</u>	<u>443,157</u>	<u>-0-</u>
Total Operating Revenue Deductions	<u>6,267,476</u>	<u>6,092,245</u>	<u>4,374,445</u>	<u>4,873,754</u>	<u>4,525,073</u>
Net Revenues	\$ <u>2,520,248</u>	\$ <u>2,235,314</u>	\$ <u>3,929,672</u>	\$ <u>2,976,357</u>	\$ <u>2,344,396</u>
Debt Service	\$ <u>2,049,724</u>	\$ <u>2,120,205</u>	\$ <u>2,083,689</u>	\$ <u>1,564,699</u>	\$ <u>1,202,950</u>
Coverage \$	\$ <u>470,524</u>	\$ <u>115,109</u>	\$ <u>1,845,983</u>	\$ <u>1,411,658</u>	\$ <u>1,141,446</u>
Coverage (x)	<u>1.230</u>	<u>1.054</u>	<u>1.886</u>	<u>1.902</u>	<u>1.949</u>

- (1) Consists principally of connection fees charged new users for connection to the System for the years 1982, 1983 and 1984. Such fees, for purposes of determining net revenues as defined in the Bond Ordinance, have been reclassified from Contributions in Aid of Construction to the Other Income Account.

CITY OF FORT WAYNE  
Fort Wayne, Indiana

Water Pollution Control Utility  
Pro-Forma Statement of Net Revenues & Coverage

	Actual Twelve Months Ended 8-31-85	Pro Forma 1986
Gross Revenues		
Operating Revenues	\$ 7,254,989	\$ 7,254,989
Interest Income	702,783	663,900
Other Income	<u>829,952</u>	<u>829,952</u>
Total Gross Revenues	<u>8,787,724</u>	<u>8,748,841</u>
Operating Revenue Deductions		
Operation and Maintenance	5,688,895	5,806,800
Contributions to Civil City	<u>578,581</u>	<u>610,400</u>
Total Operating Revenue Deductions	<u>6,267,476</u>	<u>6,417,200</u>
Net Revenues	\$ <u>2,520,248</u>	\$ <u>2,331,641</u>
Debt Service	\$ <u>2,049,724</u>	\$ <u>202,961</u>
Coverage \$	\$ <u><u>470,524</u></u>	\$ <u><u>2,128,680</u></u>
Coverage (x)	<u><u>1.23</u></u>	<u><u>11.5</u></u>

(Prepared without audit; subject to comments in transmittal letter)



CITY OF FORT WAYNE  
Fort Wayne, Indiana

Water Pollution Control Utility  
Schedule of Assumptions - Pro Forma  
Statement of Net Revenues and Coverage - 1986

Gross Revenues

1. Interest Income has been reduced for declining balance of sewer connection receivables.
2. No increase in Operating Revenues has been presumed for expanded industrial usage because volume usage increases from this user class were expected to be offset by increased pre-treatment standards.
3. Other Income includes connection fees chargeable to new users for connection to the System.

Operating Revenue Deductions

1. Operation and Maintenance expenses have been increased to take into account expected wage and energy cost increases.
2. Contributions to Civil City have been increased to take into account expected increases in property and plant subject to contributions in lieu of property taxes payable annually to the Civil City.

Debt Service

1. Pro forma debt service is based on underwriter's projections of 1986 debt service requirements pursuant to proposed advance refunding of presently outstanding long term revenue debt.

BILL NO. S-85-1049

REPORT OF THE COMMITTEE ON FINANCE

WE, YOUR COMMITTEE ON FINANCE TO WHOM WAS

REFERRED AN (ORDINANCE) (~~RESOLUTION~~) authorizing the issuance  
of Revenue Bonds for the purpose of Advance Refunding of prior Sewage  
Works Revenue Bonds and prior Sewer Connection Bonds

HAVE HAD SAID (ORDINANCE) (~~RESOLUTION~~) UNDER CONSIDERATION AND BEG  
LEAVE TO REPORT BACK TO THE COMMON COUNCIL THAT SAID (ORDINANCE)

(~~RESOLUTION~~) DO PASS DO NOT PASS WITHDRAWN  
YES NO

BEN A. EISBART  
CHAIRMAN

JANET G. BRADBURY  
VICE CHAIRWOMAN

SAMUEL J. TALARICO

THOMAS C. HENRY

JAMES S. STIER

CONCURRED IN 11-12-85

SANDRA E. KENNEDY  
CITY CLERK